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# Daily Report

# East Asia

FBIS-EAS-92-016
Friday
24 January 1992

# Daily Report
## East Asia

*FBIS-EAS-92-016*

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*24 January 1992*

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## ASEAN Ministers Approve Documents, EAEC

*BK2401091192 Kuala Lumpur BERNAMA in English 0732 GMT 24 Jan 92*

[Excerpt] Singapore, Jan 24 (OANA-BERNAMA)—ASEAN foreign and economic ministers wound up in less than an hour their joint meeting Friday in preparation for Monday's summit of their leaders, approving several draft documents and agreeing on a formula put forward on the East Asia Economic Caucus (EAEC).

The joint ministerial meeting (JMM) approved the draft of the Singapore declaration, the draft of the framework agreement on enhancing economic cooperation, and the draft agreement on the common effective preferential tariffs (CEPT) which will lead to the ASEAN free trade area (AFTA), with "only minor editorial changes" as Indonesian Foreign Minister Ali Alatas put it.

Philippine Foreign Secretary Raul Manglapus said after the meeting that "we (the ministers) found broad agreement on the documents presented and we are now looking forward to bringing them up to the summit."

Malaysian Foreign Minister Abdullah Ahmad Badawi said only minor changes were made at Friday's meeting.

This is truly the ASEAN way of doing things. We never quarrel as we always agree on what to do. ASEAN has never ended anything with a controversy, he said, adding that he was "very happy" with outcome of the meeting.

A conference spokesman had said Thursday after the separate meetings of the economic and foreign ministers that the ministers were forwarding their recommendations on the EAEC to the heads of government for a decision on how to move it.

Manglapus, questioned Friday on the EAEC, said it was suggested at the meeting that there be further elaboration of the concept by the ministers. He added that he hoped they would not take too long to study it.

Asked about Ali Alatas' statement Thursday that Indonesia and Malaysia had been able to reach a compromise on the EAEC, Manglapus said there was no "serious difference" raised at Friday's meeting.

Malaysia has demonstrated open-mindedness (on the EAEC) which I think is a very good attitude and this should raise hopes even higher for it to be accepted by all the ASEAN countries, he said.

Abdullah said the EAEC was no longer a controversy as all member countries had agreed on the formula put forward.

He said that as far as this particular preparatory meeting was concerned, the EAEC was not a controversy anymore.

We would recommend that the joint meeting of the economic and foreign officials discuss the finer points of the concept, he added.

Abdullah said the foreign ministers agreed that there would be certain actions which had to be taken once the heads of governments had endorsed the report submitted to them and made the EAEC concept "an ASEAN affair."

Ali Alatas, replying to a question on Indonesia's position on the EAEC, denied that his country was not in total agreement on the concept. He said he had agreed to the formula as a draft that could be presented to the heads of government.

He declined to disclose the contents of the draft, saying: The heads of government still have to talk about it and we will see how it develops from there.

The Singapore declaration to emerge from this summit is likely to express ASEAN's desire for more Southeast Asian countries to accede to the Treaty of Amity and Cooperation.

The ministers had, in their meetings, expressed this desire but ruled out the need to invite the five permanent members of the United Nations Security Council—Britain, China, France, Russia, and the United States—to accede to the treaty.

Applications for accession by Laos and Vietnam are likely to be accepted at this summit. [passage omitted]

## ASEAN To Eliminate Five Economic Committees

*BK2401035292 Kuala Lumpur BERNAMA in English 0309 GMT 24 Jan 92*

[Text] Singapore, Jan 24 (OANA/BERNAMA)—ASEAN Economic Ministers (AEM) have decided to do away with the five ASEAN economic committees whose activities will be coordinated by the senior economic officials.

Malaysian Minister of International Trade and Industry, Datuk Sri Rafidah Aziz, said here Thursday night, the ministers also decided to set up a special body to monitor and supervise implementation of the Common Effective Preferential Tariff (CEPT) scheme and the ASEAN Free Trade Area (AFTA) scheme.

The five economic committees are on finance and banking (COFAB); food, agriculture and forestry (COFAF); industry, minerals, and energy (COIME); transport and communications (COTAC); and trade and tourism (COTT).

The senior economic officials' meeting (SEOM), previously held only to prepare for the AEM meetings, was given formal status at the third ASEAN summit in Manila in 1987.

They now meet outside AEM meetings to help coordinate and implement economic activities.

Rafidah did not say why they decided to scrap the committees but officials said the committees made work cumbersome because of their number and overlapping responsibilities.

Rafidah also said that the East Asia Economic Caucus [EAEC] proposal would be discussed at the joint ministerial meeting Friday.

She added: All our papers (on the EAEC) went through this morning. Our (AEM) meeting went smoothly and we would be jointly discussing the same things Friday.

Meanwhile, ASEAN officials said the regional grouping's tariff reduction scheme would now be known as "CEPT for AFTA" in order to reaffirm ASEAN's commitment to achieving the free trade area scheme in 15 years.

While CEPT was recognised as the main mechanism leading towards the establishment of AFTA, there were suggestions that other proposals be studied which might expedite its implementation, they added.

Although agricultural goods were not included in the CEPT scheme, a time would come when ASEAN countries would have to reduce tariff barriers on them, they said.

This was because the multilateral trade negotiations of the General Agreement on Tariffs and Trade (GATT) had considered liberalisation of trade policies on agricultural goods as one of its main priorities.

Hence, if GATT were to agree on tariff-cutting measures for agricultural goods first, such a policy would also affect ASEAN as well, they added.

## New Structure Increases Flexibility

*BK2401013592 Bangkok THE NATION in English 24 Jan 92 pp B1, B14X*

[By Oranut Anusaksathian]

[Text] Singapore—In a major restructuring, ASEAN will scrap five economic committees and empower senior officials and the group's Secretariat to appoint non-buraucrats to handle assignments on an ad-hoc basis, according to Phachara Itsaraseng, the Thai permanent secretary of commerce.

The five committees currently oversee ASEAN cooperation in finance and banking, food, agriculture and forestry, industry, minerals and energy, transport and communications, and trade and tourism.

Phachara said ad-hoc specialist groups will comprise private consultants and academics as well as government officials. They would replace the permanent panels currently dominated by bureaucrats.

The working groups will be assigned to carry out studies on economic affairs in existing areas as well as new ones such as commodities and civil aviation.

The new structure should be better able to respond to ASEAN needs, he said, adding that it would increase flexibility for senior economic officials and the ASEAN Secretariat in coordinating the group's economic policies.

Phachara noted that the past performance of the existing committees was not satisfactory and that ASEAN must restructure if it wanted to cope with global economic changes.

"In the past three years, nothing substantial came out of the committees. They were unable to push through any new initiatives," Phachara said.

Moreover, the committees' regular meetings have been too structured and the officials themselves lack a mandate to carry out their tasks or make decisions, the Thai officials said.

"When it comes to settling disputes, every country only defends its own interests and the same goes for decisions," he said.

At the same time, the ASEAN Secretariat based in Jakarta will be upgraded so that it can initiate, recommend and supervise policies and action plans promoting the common interests of ASEAN members.

However, ASEAN diplomats said the existing committees will continue to perform the same functions for the grouping for the time being.

The abolishment of the five panels will not be contained in any of the three crucial documents to be agreed upon at the leaders' Summit next week; rather, officials said the plan would be adopted at a joint ministerial meeting today.

Brunei and Malaysia's proposals on setting up separate committees on energy and minerals at the meeting were also discarded as a result of the restructuring.

According to a report prepared by the Standing Committee on ASEAN Economic Cooperation for the 1990s, sponsored by the UN Development Programme, the study team recommended that the ASEAN economic machinery be streamlined so as to allow senior officials preparing for the annual ministers' meeting to improve coordination.

At present, the five economic committees continue to report directly to the ASEAN economic ministers rather than senior economic officials.

"To reconcile the perceived need for greater centralization of efforts with broad-based participation, the economic officials should be designated the central official body for economic cooperation," the report suggested. The report was completed in October last year, just after the ASEAN economic ministers ended their annual consultations in Kuala Lumpur.

However, senior officials could create subsidiaries in specific sectors or for special tasks, either on a permanent or an ad hoc basis, to foster and expedite ASEAN economic cooperation.

"In other words, the existing economic committees would be dissolved and the different areas currently under their purview would be taken over by senior officials with the assistance of such subsidiary bodies as the officials may flexibly create," the report added.

## Capital Goods Included in CEPT Tariff Scheme

*BK2301110192 Kuala Lumpur BERNAMA in English 1023 GMT 23 Jan 92*

[Text] Singapore, Jan 23 (OANA-BERNAMA)—ASEAN economic ministers, Thursday decided to include capital goods, originally excluded from their scheme to bring about free trade in the region in a span of 15 years.

Capital goods—products used to manufacture other goods—will now join the list of manufactured and processed agricultural products in the scheme under the Common Effective Preferential Tariffs (CEPT) agreement, expected to be signed at the fourth ASEAN summit here.

In a briefing for reporters following the conclusion of meetings of the ASEAN foreign and economic ministers, a Singapore official said the CEPT, the main mechanism for effecting the ASEAN free trade area (AFTA), would now cover 15 sectors.

They include cements, textiles, pulps, electronics, plastics, vegetable oil, rubber products, copper cathodes, pharmaceutical goods, wooden and rattan furniture, ceramics, and glass products.

The CEPT would take effect from Jan 1, 1993.

The ASEAN economic ministers meeting (AEM) lasted about 90 minutes, while the foreign ministers took some four hours to complete their meeting, in preparation for the two-day summit of their heads of government beginning on Monday.

The ministers will hold a joint meeting tomorrow to finalise matters to be dealt with by the heads of government.

The official said details of tariff reductions under CEPT to be worked out by the officials from now till Jan 1 would cover more than 3,000 products.

Under the CEPT, member countries—Brunei, Indonesia, Malaysia, Philippines, Singapore, and Thailand—are required to slash existing tariff rates to 20 percent within eight years and to reduce tariffs from 20 percent to between zero and five percent over the next seven years.

The official said the AEM decided to widen the CEPT by including capital goods, excluded by the senior economic officials during their preparatory meetings.

Services were not included in the CEPT because there is no tariff on services in the six member countries.

## ASEAN-CCI Considers Free Trade Proposal

*BK2301092992 Kuala Lumpur BERNAMA in English 0740 GMT 24 Jan 92*

[Text] Singapore, Jan 24 (OANA-BERNAMA)—The ASEAN Chambers of Commerce and Industry (ASEAN-CCI) feels that implementation of the Common Effective Preferential Tariffs (CEPT) scheme leading to the establishment of an ASEAN Free Trade Area (AFTA) in 15 years should cover all goods and services.

ASEAN-CCI President, Dr. Chokchai Aksaranan, said there should not be an exclusion list in order for the CEPT-AFTA scheme to be successfully established.

This was one of five points which it felt was necessary for the successful implementation of the CEPT scheme to fully accomplish AFTA in the time frame set out.

Dr. Chokchai presented ASEAN-CCI's views at the joint meeting of ASEAN Foreign and Economic Ministers here Friday.

The proposed CEPT-AFTA tariff reduction scheme covers manufactured and capital goods and processed agricultural products, but excludes services and agricultural goods.

The scheme covers 15 product groups like cement, fertiliser, textiles, pulp, gems and jewellery, electronics, plastics, vegetable oils, rubber products, copper cathodes, pharmaceuticals, leather goods, wooden and rattan furniture, and glass and ceramic products.

Under the CEPT, countries would be given five to eight years to cut back tariffs above 20 per cent to below that level and those below 20 per cent should be slashed to between zero and five percent.

The aim is for all tariffs to reach the zero to five per cent level in 15 years.

Dr. Chokchai, who took over the helm of the ASEAN-CCI last November, said it also called for the process of tariff reduction be done on a sectoral and gradual basis and for tariff and non-tariff barriers to be wholly eliminated.

Its fourth point was that there should not be an exception on services in the CEPT-AFTA. "If this cannot be done at the initial stage, they must be included in the final stage," he said.

ASEAN-CCI felt that the end target must be for zero tariff for all products, he added.

## Singapore's ASEAN Reexports Keep GSP Status

*BK2401095892 Kuala Lumpur BERNAMA in English 0903 GMT 24 Jan 92*

[Text] Singapore, Jan. 24 (OANA-BERNAMA)—ASEAN products eligible for the United States generalised system of preferences (GSP) benefits will, with immediate effect, retain their GSP status when reexported to the U.S. from Singapore.

A U.S. decision made last week allowed exports of GSP-eligible ASEAN countries—Indonesia, Malaysia, Thailand, and the Philippines—to pass through Singapore and still retain their GSP status.

This is on condition that no further processing must be done in Singapore except sorting, grading, testing, packing, labelling, and other operations necessary to keep the product in good condition, the Trade Development Board [TDB] said in a statement Friday.

Singapore lost its GSP status in 1989 while the other ASEAN country, Brunei, in 1988. Since then, Singapore's exports, including reexports, to the U.S. were withdrawn from the benefits.

The TDB said all Singapore-origin products would remain not to be eligible for the GSP.

Until the graduation of Singapore and Brunei from the GSP, the ASEAN cumulative rule of origin had enabled ASEAN to be treated as one "beneficiary developing country" under the scheme.

Gsp-eligible ASEAN products could move freely from one ASEAN country to another before reaching the U.S. without affecting their GSP status.

The TDB said Washington concluded that "by precluding the Singapore [as received] and Brunei from having peripheral involvement with the GSP transactions of the other ASEAN members, the goal of the ASEAN, which is to further economic integration of its members, will be frustrated."

It said that the positive outcome, taking immediate effect, was the result of more than two years' of negotiations which followed a joint ASEAN submission in 1989.

The decision will have significant impact on Singapore's position as a regional trading hub and centre for testing, warehousing, and distribution, the TDB added.

## Jakarta Blocks ASEAN Amity Treaty Move

*BK2401012192 Bangkok BANGKOK POST in English 24 Jan 92 pp 1,3*

[Text] ASEAN foreign ministers have buried thoughts of inviting states outside Southeast Asia to accede to its Treaty of Amity and Cooperation (TAC) after Indonesia put up what was described as "political objections."

But Foreign Minister Asa Sarasin maintained that Thailand—a prominent advocate of the five permanent members of the United Nations Security Council being invited to sign the document—would still welcome extra-regional "recognition and support" for the treaty.

Asked if Thailand, a vocal proponent of the idea, has suffered any special loss, he said: "No, this is not our initiative. It originates from Singapore."

Singapore would like closer ties with the US because it has allowed Americans more use of facilities for training and logistical operations, an informed source said.

China, Russia, Britain and France are other members of the Permanent Five.

Prime Minister Anan Panyarachun, when asked last night about the ASEAN foreign ministers' decision, said he has yet to hear a report on it from the Thai delegation.

"But this does not really matter. What's important is the AFTA (ASEAN Free Trade Area)," Mr Anan said.

The TAC, created in 1976, was amended in 1987 to enable Papua New Guinea to become a signatory. No other non-ASEAN states have followed suit.

Indonesia argued against what was seen as an explicit emphasis on an open door to outsiders on the grounds that this was already clear in the treaty, an ASEAN official said.

ASEAN ministers therefore agreed to drop from the draft declaration a paragraph specifically calling for the Permanent Five to be encouraged to sign the treaty to draw international support for the group.

"That paragraph is no more," Indonesian Foreign Minister Ali Alatas said.

"But of course we still hope that other Southeast Asian countries will accede," he said. "Otherwise, we think the treaty itself is already quite clear. So why should we especially have a paragraph inviting others."

ASEAN ministers yesterday reportedly debated the matter. Singapore voiced surprise at Indonesia putting up objections at this stage.

Malaysia, still to reconcile differences with Indonesia on the East Asian Economic Caucus (EAEC,) was supportive of Singapore. Thailand stayed out of the conflict, sources said.

Singapore, at the meeting of senior officials in October, launched the idea of inviting the Permanent Five.

Mr Asa said Thailand is waiting for Burma and Cambodia—the only remaining Southeast Asian states yet to express an intention to accede to the TAC—to do so.

Vietnam and Laos have applied to be signatories and an informed source said this is expected to take place before the next ministerial meeting in July.

The EAEC is Malaysia's proposal for countering protectionist trends in developing countries. The idea was approved by ASEAN economic ministers in Kuala Lumpur last October but Malaysia and Indonesia have stood apart on details in talks in Singapore in the past few days.

The matter was turned over to the ASEAN foreign ministers for a political decision after their economic ministers failed to reach a settlement.

Mr Asa said he tried to reconcile the two. He said he proposed that the issue be returned to senior officials for reconsideration and new proposals be again sent up for final endorsement by government leaders.

"I see nothing undesirable in the EAEC because it is neither a trade bloc nor protectionism," he said.

He stressed that the matter of the EAEC was not closed and that a way out will be proposed for the summit of ASEAN leaders to consider next week.

The EAEC is to be reconsidered by ASEAN economic ministers today. The official programme calls for economic and foreign ministers to have a joint session on this last day of ministerial meetings.

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### SRV Advances ASEAN Tourism Partner Cause

*BK2201013392 Bangkok BANGKOK POST in English 22 Jan 92 p 19*

[Text] Plans to combine incorporate Indochina as part of ASEAN travel packages gained ground yesterday with Vietnamese officials at the Annual ASEAN Tourism Forum [ATF] in Penang expressing interest in joining the forum on a permanent basis.

Two senior Vietnamtourism officials are attending the conference for the first time this year at ASEAN's invitation.

The moves began with Thailand's initiative for Vietnam to cooperate more closely with other countries of the region either as a member of ASEAN or simply by attending the ASEAN Chamber of Commerce and Industry (ASEAN-CCI) meeting in Bangkok recently.

Vietnam has recently been establishing closer tourism ties with Laos and Cambodia. The two Vietnamese officials, assistant general director Nguyen Viet Hai and marketing executive Truong Nam Thang, said Vietnamtorism's participation in this year's ATF was in preparation for possible membership.

They said Vietnam's cooperation with ASEAN countries would give greater prominence to this region on the world tourism map, bringing mutual benefits to all.

Mr Hai said Thailand would be the tourism gateway as many companies there are already organising tours to Vietnam.

A new tourism product to be launched soon by a Thai company is a land package linking Thailand, Cambodia, Vietnam and Laos. The route would start in Thailand's Northeast, passing through Laos to northern Vietnam and then south before moving into Cambodia.

Mr Hai said Vientiamtourism plans to join ASEAN tourism organisations would first need the approval of Hanoi.

Vietnam is already a member of the Pacific Area Travel association (PATA), one of the world's largest tourism-related organisations.

ASEAN Tourism Association (ASEANTA) secretary-general Pakir Singh said his organisation was more than willing to accept Vietnam.

Vietnam had around 300,000 foreign visitors last year, up from 250,000 people a year earlier despite the impact of the Gulf war of world tourism.

Mr Hai said Hanoi, like governments elsewhere, had emphasised tourism promotion as a tool in generating foreign earnings for the country. It has also invited investment in tourism facilities to solve the current shortage.

Vietnam is thought to have good tourism potential because it is newly reopened after years of closure. The lifting of the American embargo on economic contacts between the two countries would especialy help boost confidence among travel agents wishing to put together packages.

At least two major American travel agents, Innerasia and Mountain Travel & Sobek expeditions, offer tours of Indochina.

The Tourism Authority of Thailand [TAT] has reportedly been working closely with all threee Indochinese countries on plans for joint tourism promotions. TAT successfully encouraged ESCAP [Economic and Social Commission for Asia and the Pacific] to resume plans to build a road linking Indochina with the rest of Southeast Asia.

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### Malaysia Hosts Pan-Asian Banking Conference

*BK2201104192 Kuala Lumpur BERNAMA in English 1002 GMT 22 Jan 92*

[Text] Kuala Lumpur, Jan 22 (OANA-BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed said Wednesday that further debt relief should be provided for countries willing to undertake economic reforms. Dr. Mahathir said the successful resolution of their debt problem also required a freer international trading environment to enable developing countries to realise their export potential. Industrial countries should also adopt appropriate macro-economic and structural adjustment policies to induce sustained growth with low inflation, stable exchange and interest rates, he added.

"External financing flows in adequate amounts and in a timely manner are no less important," Dr. Mahathir said when opening the 27th conference of governors of South East Asian Central Banks (SEACEN).

The prime minister said the situation in the heavily indebted developing countries had remained extremely difficult with the prospect of regaining external viability remaining elusive. He said the persistent global debt problem had continued to undermine adjustment programmes of developing countries and their ability to attract foreign direct investment and external financing.

Moreover, he said, the slowdown in global economic activities had led to a weakening of export markets with falling commodity prices leading to further deterioration in trade of primary producers.

Dr. Mahathir also spoke against trade protectionism, saying that the major challenge facing developing countries in the 1990s would be to ensure international trade to be carried out in an open and competitive system. He said protectionist measures had increased substantially and were a major threat to the future trading environment.

"Of growing concern also is a discernable trend towards the linking of totally unconnected issues such as human rights and environmental matters with trade. There is a belief among developed countries that by forcing the poor to become poorer, they will show more respect for human rights and spend more money on the environment," he said.

## Japan

### Envoy to U.S. Advocates More Active Tokyo Role

*OW2401031392 Tokyo KYODO in English 0300 GMT 24 Jan 92*

[Text] Tokyo, Jan. 24 KYODO—Former Vice Foreign Minister Takakazu Kuriyama was appointed Friday as Japan's ambassador to the United States, government officials said.

Kuriyama, 60, will be replacing Ryohei Murata, who was confirmed at the day's cabinet meeting as Japan's next ambassador to Germany.

Kuriyama, a career diplomat, served as vice foreign minister from 1989 through 1991, a post previously held by Murata. He was Japan's ambassador to Malaysia from 1985 to 1987.

A fluent English speaker, Kuriyama is well-versed in Japan-U.S. relations and once held the post of director general of the Foreign Ministry's North American Affairs Bureau.

While directing the Foreign Ministry as its top bureaucrat during the Persian Gulf war he became well known as a supporter of a more dynamic foreign policy for Japan in the 1990s.

Kuriyama has advocated that Japan, in light of its economic power and growing international responsibilities, should pursue a more active role in global affairs as a "major power with an unassuming posture."

In other personnel changes at the Foreign Ministry, officials said the cabinet also confirmed former Deputy Foreign Minister for Economic Affairs Koji Watanabe as Japan's ambassador to Italy.

Former Ambassador to East Germany Hirokazu Arai, 62, was named as the new ambassador to the Philippines.

New appointments have not yet been determined for outgoing Manila Ambassador Toshio Goto and Shinichiro Asao returning from Rome, the ministry personnel section said.

### MITI Chief 'Very Regretful' Over U.S. Moves

*OW2401035692 Tokyo KYODO in English 0350 GMT 24 Jan 92*

[Text] Tokyo, Jan. 24 KYODO—International Trade and Industry Minister Kozo Watanabe said Friday he is "very regretful" over mounting moves in the U.S. Congress for trade retaliation against Japan.

However, Watanabe told a press conference he believed the U.S. Government shares what he said was Tokyo's view that protectionism should be checked to advance the free trade system.

Frustrated with the stubborn trade imbalance in Japan's favor, Democrats on Wednesday presented Congress with a trade bill aimed at slashing the 40 billion dollar annual trade gap by 20 percent each year to zero in five years.

The bill provides for curbs on auto imports from Japan if the goal is not achieved.

U.S. Trade Representative Carla Hills also said Wednesday Japan faces retaliation if it blocks the fulfillment of a recent bilateral accord on auto-related trade with unfair trade practices.

Asked about Hills' remarks, the trade minister said it is "not desirable to make threatening remarks," though he said the remarks were intended to allay the unhappy Congress.

### Ministry Spokesman Views Contract Cancellation

*OW2401090592 Tokyo KYODO in English 0856 GMT 24 Jan 92*

[Text] Tokyo, Jan. 24 KYODO—Japanese companies doing business with the United States will be "embarrassed" if there are repetitions of the recent cancellation of a Sumitomo Corp. contract to build a U.S. rail system, a Foreign Ministry spokesman said Friday.

"If such reversals become prone, I think the Japanese business community will be embarrassed," said spokesman Masamichi Hanabusa in a press conference with foreign correspondents.

"Therefore, we the government would like to see that, under the circumstances, the contract be given according to procedures," Hanabusa said.

The Los Angeles County Transportation Commission on Wednesday voted unanimously to cancel a 122 million dollar contract earlier awarded to Sumitomo Corp. of America to build rail cars, under public pressure that jobs were being taken from Americans and given to Japanese.

Hanabusa ruled out any immediate action by the Japanese Government on the matter, saying, "it is not a government issue.

"This is a question of a contract being actually rescinded and it is up to the company to first decide what actions to take," he said. "If it is an infringement of the contract, I think it is for them to take action."

A Foreign Ministry source did say the canceled contract will likely have a negative effect for U.S. companies doing business abroad, as they will be on weak arguing terms if similar actions are taken against them in the future.

### Criticizes U.S. Auto Bills

*OW2401110292 Tokyo KYODO in English 1051 GMT 24 Jan 92*

[Text] Tokyo, Jan. 24 KYODO—Japan is "seriously concerned" about the possible enactment of "protectionist" bills to restrict sales in the United States of Japanese autos, a Foreign Ministry spokesman said Friday.

"The Japanese Government considers these bills to be extremely protectionist, not to mention unilateral," spokesman Masabuchi Hanabusa told Japanese reporters at a news conference.

"It would be cause for serious concern if they were to be enacted," said the new spokesman, formerly Japan's consulate general to New York.

The coordinated bills seek legislation restricting Japanese auto sales in the U.S. unless Japan eliminates its 41 billion dollar bilateral trade surplus within five years.

They were submitted to both houses of Congress, respectively, by House majority leader Richard Gephardt, a Missouri Democrat, and Sen. Donald Riegle, a Michigan Democrat.

Hanabusa noted U.S. President George Bush has criticized the bills as blatantly protectionist. Bush has vowed to exercise his veto power if Congress passes the legislation.

The spokesman, attributing much of the bilateral trade imbalance to macroeconomic factors rather than microeconomic ones, called it "nonsensical" from an economic point of view to simply call for a measured reduction.

He said it is also nonsensical to target specific sectors the way the bills do, something [word indistinct] of "managed trade" and protectionism.

In submitting the bills, Gephardt criticized Japan for what he said is its alleged attempt to back off from a plan to step up procurements of U.S. auto parts announced during Bush's trip to Tokyo earlier this month.

He asserted Japan will not substantially open up its markets unless threatened with retaliatory measures.

### Prime Minister Miyazawa Gives Diet Policy Speech

*OW2401085992 Tokyo NHK General Television Network in Japanese 0503 GMT 24 Jan 92*

[Speech by Prime Minister Kiichi Miyazawa to the 123d session of the Diet at the main chamber of the House of Representatives on 24 January—live]

[Text] Our country is faced with the challenge of responding appropriately to the tumultuous international situation in this year of 1992. We also have numerous domestic issues with which we need to deal. At the beginning of such a year, I was honored by the visit of President Bush to our country, and met President No Tae-u during my first trip overseas to the ROK.

We reached agreement with the United States on its need to play the role of a leader in future efforts to build a new world order, and that our country intends to give full support to such an effort and to assume joint responsibilities.

In the ROK, from the standpoint of Japan-ROK relations in the context of Asia and the world, we agreed to cooperate in solving the various problems in the Asia-Pacific region and the world.

Through discussions with the two presidents, I confirmed the presidents' and their people's fervent hope for world peace and keenly felt the strong expectations they have of us, and the heavy responsibilities we must assume. This has rekindled my sense of responsibility to resolutely exert efforts in the national administration.

At such a critical stage both domestically and internationally, it is indeed unfortunate that a colleague in the Diet who used to be a state minister, has been arrested on suspicion of accepting bribes. This incident is presently being investigated by the judicial authorities. I express my sincere apologies to the people for the fact that such an incident came to pass.

Today, as we are faced with numerous problems which will affect our future, we would like to uphold political ethics so that no political retrogression will result from such incidents. I am also determined to exert all possible efforts to implement political reforms. I sincerely request the understanding and cooperation of all parties and factions, and of the people. [applause]

We have come to the historical juncture of a major change in the world structure after the Second World War. The cold war structure, which divided the world into two camps, has been terminated. The Soviet Union has disintegrated. The North-South confrontation on the Korean peninsula is also swiftly heading toward rapprochement. In Europe, historical steps are being taken toward integration. And in the Middle East and Cambodia, moves toward peace have become a reality.

On the other hand, there are increasingly grave concerns about national conflicts and nuclear proliferation since the order maintained through ideological opposition and nuclear confrontation has ended. There are also elements of uncertainty and instability in the world.

Moreover, there are an increasing number of serious issues that mankind needs to tackle as a whole, such as the deterioration of the global environment, the refugee problem, narcotics, population, and terrorism.

Although the image of the future order remains unclear, the main trend in the world seems to be heading unmistakably toward the realization of mankind's desire for peace.

It was precisely based on the above observations that I designated the post-cold war period to be the beginning of an era for creating a new international order of peace in my last policy speech. We must ensure the continuation of such a trend, and strive to succeed in creating a world order of peace worthy of this new era, which will have a decisive effect on mankind's happiness and prosperity, and the earth's future. The time has come for each country to take up responsibilities commensurate with their national conditions and capabilities, and work hand in hand to tackle this issue.

In this context, the international community is watching what responsibilities Japan will assume, and what role it will play, coommensurate with its great economic power and the influence deriving therefrom. This year, 1992, will be a year in which Japan's true worth will be tested in this respect. We must pool our wisdom, and participate in the establishment of the new order of peace positively, actively, and creatively, to take up this glorious historical task.

In the process of creating a new world order of peace, I would like to cite peace, freedom, and prosperity as the goals that we would like to pursue with the people of the world. I believe that it is only through the pursuit of such goals in unity that the dignity of the individual can be upheld, and true human values can be guaranteed. Based on such thinking, we are determined to fulfill the responsibilities our country must assume, and play the role expected of us, internationally, through international contributions; and domestically, through the realization of a quality-of-life superpower.

Peace is the foundation of the new international order. The United Nations has an increasingly important role in the post-cold war international community. Japan, which has conducted its diplomacy centering on the United Nations, intends to help in the revitalization of the United Nations through administrative and financial reforms, and through the establishment of a conflict-prevention system. It will also play a political role in its capacity as a nonpermanent member of the Security Council in regional and other issues, in order to meet the expectations of the international community.

For this reason, if the Diet permits, I would like to attend the Security Council summit meeting to be held at the end of this month, in order to hold direct talks with the leaders of the Security Council member states. [applause]

Moreover, from the standpoint of making sufficient manpower contributions to the UN peacekeeping operations, I request that the so-called PKO bill be approved in the present Diet session as soon as possible, together with the amendment to the International Emergency Relief Team Dispatch Law.

There has been significant progress in arms control and disarmament, which will guarantee peace. However, concerns about nuclear arms management and nuclear proliferation have emerged with the disintegration of the Soviet Union.

Japan, which hopes for the ultimate destruction of nuclear weapons, intends to cooperate with the countries concerned to promote international disarmament efforts, actively work for an agreement on the treaty to ban chemical weapons within 1992, and strive for the implementation of measures to effectively prevent the proliferation of nuclear, biological, and chemical weapons. The UN registration system of conventional weapons proposed by Japan and other countries last year is an epochmaking measure to improve the visibility of the international transfer of conventional weapons and to strengthen voluntary restraint. Japan intends to exert efforts to facilitate its effective implementation.

The Japan-U.S. security structure is an indispensable framework for peace and prosperity in the Asia-Pacific region. Japan intends to continue to maintain this structure.

Furthermore, we will persist in the policy of pure defense as stipulated by the peace Constitution, abide by the basic principle of not becoming a military power constituting a threat to other countries, continue to maintain civilian control, abide by the three nonnuclear principles, and continue to work for the maintenance of a moderate defense capability. The present Mid-Term Defense Buildup Plan was drawn up in late 1990. The international situation since then has changed dramatically, as evidenced by the disintegration of the USSR. With regard to the revision of the the Mid-Term Defense Buildup Plan, the government intends to take such drastic changes in the situation into consideration and study the necessary retrenchments.

Genuine peace does not only mean the absence of war. It has to be a guarantee of happiness for the people. Therefore, the objective of the new world order of peace I speak of is the creation of an international community where freedom and democracy will be upheld, and prosperity founded on the principles of the market economy can be enjoyed.

In this sense, the promotion of reforms in this direction in the former USSR, East Europe, and many developing countries is very important for the popularization of such values in the international community. It will serve as a basis of the new international order. Japan intends to play an appropriate role in assisting such efforts.

In carrying out economic cooperation we will also give consideration to such a viewpoint. We will strive to provide the knowhow on economic and other areas, which Japan learned from advanced nations in the past or which we have accumulated through efforts, and other intellectual assistance [chiteki shien].

The world economy, the prime mover of prosperity, is still faced with many problems. Japan, which has benefited most from the world's prosperity, intends to contribute to the prosperity and development of the world by actively utilizing its economic and technological capacities, and converting its economy into a more harmonious structure with the world economy.

To this end, we will strive for wide-ranging investment and international exchanges in the industrial sector and endeavor for the formation of harmonious external economic relations, while watching trends in the balance of the current account, striving for further expansion of imports, and promoting the access of foreign- affiliated enterprises and foreign products to the Japanese market.

Helping to bring the Uruguay Round of negotiations to an early and successful conclusion is an important task for the maintenance and strengthening of the multilateral free trade system as well as for the prosperity of the world. At the end of last year, the Dunkel proposal was put forward and the negotiations are in their final stage. Japan is resolved to continue making endeavors for the success of the negotiations together with other major countries.

With regard to agriculture, all countries are faced with respectively difficult problems. Japan, however, plans to exert its utmost effort for the resolution of the rice issue through mutual cooperation under its conventional basic policy.

We should make the trend for world peace a solid one in the future too, and distribute the dividends of peace, to be produced thereby, to all mankind and particularly to the people of the Southern countries, who are afflicted with famine, poverty, and disease. Japan intends to support the self-help efforts of developing countries and strive to rectify the gap between the South and North through expansion of the official development assistance programs.

In addition, we must seriously come to grips with the global environment, refugee, narcotics, population, terrorist, and other problems common to mankind. Japan will fulfill an active role at the United Nations and other international arenas, while making the most of the technology and experience it has accumulated.

The deteriorationn of the global environment, in particular, is jeopardizing the foundation for the existence of mankind. We must form an economic community aimed at "development that can be continued" with the limited environment and resources. Because of this reason, Japan will play a leading role in endeavoring for the success of the UN Environmental Development Conference, or the so- called global summit, which is scheduled for June, in cooperation with other countries.

Japan will also actively address cultural exchanges for the promotion of mutual understanding, the educational problem, the promotion of science and technology in space and the earth itself, as well as international cooperation.

Japanese-U.S. relations are the axis of Japan's diplomacy. It is no exaggeration to say Japan's postwar prosperity was not possible without benevolent assistance from the United States. The United States underwent a lot of sacrifice to keep the world in peace; now it is facing a difficult situation. Japan should cooperate with that country as much as possible to resolve those problems. I believe true global partnership between the two countries means the two countries' joining efforts in taking up global responsibilities toward the creation of a world order of peace. Based on this view, I recently held talks with President Bush. The President and I issued the Tokyo Declaration and the Action Plan at the conclusion of those talks. Japan and the United States, which share common values, have developed solid relations of interdependence under Japanese-U.S. security arrangements. With these close relations in mind, the President and I agreed that Japan and the United States will cooperate for the sake of world peace and prosperity, and will work together to tackle common problems facing mankind, including the environment. Regarding bilateral relations, Japan intends to maintain friendly and cooperative relations with the United States and work to resolve economic problems with that country. Needless to say, it is necessary to deepen the mutual understanding between the peoples of our two countries in order to maintain and develop these cooperative relations.

To ensure peace and promote prosperity in Asia and the Pacific region, it is important to make the most of the region's diversity and vigorous economy. Japan will play a positive role in the region in the future and will closely cooperate with regional nations by attending ASEAN's expanded foreign ministerial talks as well as the Asian and Pacific Economic Cooperation [APEC] ministerial talks. In playing such a positive role, Japan should bear its past in mind. People in Asia and the Pacific region once suffered unbearable pain and sorrow inflicted upon them by Japan. I would like to express my deep regret and remorse. Japan should resolve anew not to repeat such a mistake, looking at the facts and thus correctly writing its history and fulfilling its responsibility as a member of the international community.

On the Korean peninsula, great headway has been made toward denuclearization, and new moves are emerging toward easing tensions. Japan's basic policy toward the Korean peninsula is to strengthen friendly relations with South Korea. During my recent visit to South Korea, I and my South Korean counterpart agreed to cooperate with each other to build future-oriented and broad-ranging relations toward the 21st century. I and my South Korean counterpart also agreed to resolve economic issues pending between the two countries through cooperation and candid dialogues. Regarding North Korea, Japan will continue to hold normalization talks with that country in a way that the talks contribute to the stability and peace of the Korean peninsula while maintaining close cooperation with nations concerned.

In Cambodia an epochal attempt is being made for peace and reconstruction thanks to the efforts of the international community. Japan will cooperate with other nations to bring peace and prosperity to all of Indochina. To that end, Japan plans to host an international conference this year.

This year marks the 20th anniversary of the establishment of diplomatic relations between Japan and China. I hope that China will continuously pursue its political and economic reform policies. Japan intends to promote relations with China through incessant dialogue. Japan also intends to strengthen further relations with the ASEAN, Southeast Asian nations, and Pacific nations. Moves to be made by nations of the former Soviet Union in the future will have a crucial effect on building a post-cold war international order.

Japan hopes that those nations will continuously pursue reform in both domestic and foreign policies, observe international treaties and commitments with honesty, place nuclear weapons under unified control, and take over debts owed by the former Soviet Union. Japan, in cooperation with the international community, will provide appropriate assistance to that country in its efforts to reform in the right manner. Japan intends to build new relations with members of the Commonwealth of Independent States. Regarding relations with Russia, a neighbor of Japan in particular, I hope that the northern territorial issue will be settled and a peace treaty based on the law and justice will be concluded. I also hope that Japan will strengthen relations with Russia.

Like the United States, European nations are our friends who share the same values as us. This year, the EC market will be integrated. This year will be a historical year in which the foundation will be laid for its political, economic, and currency integration. Japan and the EC, which plays a key role in Europe, issued a joint statement last July. Japan intends to promote cooperative relations with the EC in line with the spirit of the joint statement. In the Middle East region, new developments are being made toward resolving issues between Israel and the Arab nations. Japan will cooperate with international efforts to stabilize the region, following the Gulf crisis, by attending the multinational conference scheduled to be held soon to resolve those issues.

During the 21st century, Japan will be faced with a society of senior citizens. I believe that all of us, who live during this time, have a responsibility to improve the social infrastructure as much as possible. We should seek to turn our present efficiency-respecting society into a just society out of consideration for both producers and consumers. I think that the most important task in our domestic policy is to turn Japan into a life-style superpower to that end. We intend to build a just society in which all people actually feel affluent in his or her daily life, various values are respected, and efforts are rewarded. I would like to call a nation seeking this sort of society a life-style superpower. I intend to aim to create such a society.

The life-style superpower that I intend to build means a society in which the social infrastructure, particularly housing and livelihood-related facilities, will be improved; the environment will be preserved; and an invigorating and safe living environment will be created. In such a society, working hours and commuting time will be shortened to enable people to have their own free leisure time. In this society, social participation and employment opportunities will be guaranteed for the aged and the handicapped, and people will lead lives worth living. In this society, men and women will be able to seek the realization of their dreams at home and in the workplace. Now, it is natural for women to have jobs. In society, conditions will be improved for women to display their abilities and make the most use of their experience. In society, a balanced development of national land will be sought and people in both urban areas and local communities will be able to enjoy spacious living quarters, and high-speed information and transportation services. In this society, creativity and international sense will be respected, education opportunities widely given, people will feel close to the arts and sports, and lofty personalities and culture will flourish.

I intend to build this society, which will fill every aspect of the people's livelihood with vitality and affluence. I recently asked the Economic Deliberation Council to work out a new five-year plan for economic development aimed at building a life-style superpower. I look forward to receiving a report on the outline of the plan this summer.

It has become important to put sewage systems, environmental hygiene, urban parks, and other social overhead capital facilities in good order, and in a planned way to help the people live comfortable lives. For this reason, thorough consideration was given to the five-year plan for housing, sewage systems, and six other areas so that direct results can be produced in improving the quality of people's lives. This plan was formulated on the basis of the Basic Plan for Public Investments last year. In the fiscal 1992 budget, emphasis is also placed on the enrichment of social overhead capital in livelihood-related areas.

We will strive for the formation of an environment-preserving society by coming to grips with the creation of a beautiful living environment, surrounded by clean air, water, and greenery; and with the establishment of a system for the reduction, reproduction, and restoration to nature of waste.

To secure plentiful housing levels and to maintain social equity, it is necessary to break down the myth about land and let land price rises never happen again.

There have already been signs of an easing in land prices in Tokyo, Osaka, and other cities thanks to the strengthened operation of monitoring areas, an overall review of the land tax system, the control of the total volume of land-related loans, and other measures. The government, however, will continue to work out structural and comprehensive land measures in both demand and supply on the basis of the Outline of Comprehensive Land Policy Promotion in accordance with the idea of the Basic Land Law. The government will also strive for the supply of housing and housing land particularly in large cities, and the formation of a stock of good- quality housing and a good living environment.

The government lifted control of the total volume of loans this year, but intends to continue giving guidance to financial institutions to strictly eliminate loans related to speculative land transactions. At the same time, the government intends to invoke control of the total volume of loans in a prepared manner in case fears of suddenly rising land prices occur.

Shortened work hours and the creation of comfortable work sites are national tasks which must be attained by all means in order to realize a comfortable work environment for workers. By putting the arrangements for providing further support to the independent efforts of the labor and management in order, the government will promote the dissemination of a complete five-day working-week system and the curtailment of work hours other than at prescribed hours. As regards a complete five-day working-week system for national public servants, the government plans to introduce the required bill to the current Diet session so that the system can be put into force at the earliest possible moment in fiscal 1992.

The rapid aging of the population of our country is anticipated and will become an aging society in earnest about 30 years from now. At this time, one out of four people will be an aged person. As the saying goes, the presence of a senior person is helpful for any trifling matter, the rich experience and knowledge of aged persons about life are a valuable asset to our society. I want to create a society in which aged people can spend their lives energetically and free from care, making the most of their experience and knowledge in society.

To this end, I will promote the social participation of the aged through the maintenance of an employment environment and, at the same time, establish a firm pension system and make earnest efforts to bring about a society in which they can receive proper health, medical, and care services free of anxiety at an appropriate time. Securing nurses, welfare facility employees, and home helpers, which is expected to become more difficult in the days ahead, is an important task. The government will work out comprehensive measures to improve their working conditions and for training.

Significant changes are occurring in the environment surrounding children—who will take upon themselves the responsibility for the next generation—due to a decline in the birth rate and the advance of women into society. The government will continue to grapple with the creation of an environment to help children be born and grow up in a wholesome manner.

This year happens to be the last year in the UN Decade for The Handicapped. The government will work out elaborate policies in accordance with the ideal of perfect participation and equality so that handicapped people can live at home or in the community free of care.

The government will also diligently promote policies for the enhancement of women's status in accordance with the New Domestic Action Plan for The Year 2000 with the aim of bringing about a society in which women along with men can play an active part in all areas.

In order to rectify unipolarization in Tokyo and promote the balanced development of national land in a multipolarized way, the government will promote the decentralization of urban and industrial functions. In addition, the question of the transfer of national administrative organizations and the functions of the capital will be examined. Beginning next fiscal year in particular, the government will promote the maintenance of key local cities and the redistribution of industrial facilities so that they can accelerate the independent growth of local areas, which will serve as the nuclei for settlement in local areas. It will also strive for the formation of a so-called national land network through which people, goods, and information can flow nationwide through building a pleasant transportation system including key expressway systems, through the maintenance of advanced information and communications networks closely associated with livelihood and local areas, and through systematic maintenance of high-standard trunk roads and other road networks.

Furthermore, in order to promote community development based on creative efforts on the part of the local communities, the national government will transfer powers to the localities, continue to support the self-reliant and independent efforts which have emerged as a result of the "Furusato Sosei" [hometown development] program, and promote the development of communities which the residents can be proud of, and which are loved by them. We will continue to exert active efforts in the comprehensive development of Hokkaido, and the development of Okinawa, which is in its 20th year since reversion to Japanese administration.

Agriculture, forestry, and fisheries carry the important mission of providing a stable supply of food to the people, which is indispensable for their daily life. The farmland, forests, and fishing villages, which constitute a major portion of the national territory, are hometowns to our people. They also provide the consoling space for their livelihood and leisure with their abundant greenery and traditional culture.

Agriculture and the rural villages in our country, which play such a role and perform such functions, are now at a critical stage due to the shortage of a work force, aging, and internationalization. In view of such a situation, I believe that creating the basic conditions which would enable those engaged in agricultural activities to revitalize their production activities, and to feel joy and pride in their work, and settle down in the rural areas is particularly important. Therefore, we intend to make our policies on food, agriculture, and the rural area worthy of the new age of the 21st Century in accordance with the mid- and long-term prospects of the economic society.

Furthermore, with regard to forestry and fisheries, we intend to exert efforts in reforestation in order to enhance the forests' function in conserving the national territory and the ecology, and as sources of greenery and water, and to promote the development of the fisheries industry by making use of our abundant fishery resources.

Education, art, culture, science, and technology form the basis for the development in all aspects of the state and society.

With regard to school education, we would like to work for an education system which cultivates the distinctive traits of each individual, and produces spiritually-fulfilled and strong-minded citizens with a national consciousness who are able to participate in, and contribute to the international community. Moreover, we intend to create the conditions for lifetime education, and promote sports, art, and culture.

Furthermore, in order to create an intellectual legacy for mankind as a whole, and to fulfill our international obligations, it is necessary to promote creative and advanced academic research, and the development of science and technology.

We intend to undertake a drastic improvement of educational and research conditions in the institutions of higher learning, the improvement of the infrastructure of research and development, academic exchanges and further promotion of international cooperation, as well as the development and utilization of the space, the oceans, and nuclear power.

With regard to the maintenance and promotion of fairness and free competition in the market, we will continue to impose strict penalties on violations of the Anti-Monopoly Act, and increase the clarity of its enforcement.

In connection with the problems involving the securities and financial sectors, we have already taken corresponding measures, including legal amendments prohibiting loss compensation and other illegitimate acts. Moreover, in the interest of the users, we will further promote fair competition in the securities and financial markets; and in order to restore confidence in the market, necessary amendments will also be submitted to the present Diet session. We are determined to take coordinated legislative and administrative measures.

Furthermore, we will also promote comprehensive consumer administration, including studying ways to prevent consumers from being victimized and to help the victims, in order to enable the people to enjoy a safe and prosperous consumer life.

We will also take steps to institutionalize administrative procedures and laws, with the objective of achieving an administration that is fair, easy to understand, and trustworthy.

Our country suffered various natural disasters last year, such as the Mt Unzen volcanic eruption and several typhoons. To those who lost their valuable lives and their bereaved families, I express my sincere condolences, and to those who lost their homes, and suffered fatal damages to their crops, I extend my heartfelt sympathy.

We will take all possible measures to assist the victims of these disasters. In addition, with regard to the Mt Unzen eruption, we are conducting the necessary investigations and studies on disaster prevention in community development, and the development and revitalization of the localities for the future. I intend to promote the development of the national territory in such a manner that will minimize the effects of disasters, and that is worthy of a quality-of-life superpower.

With regard to the recent peace and order situation, violent crimes involving an extensive area are rampant; the threat of gangster groups to the citizens and drug abuse have become an increasingly serious problem. In the belief that the maintenance of peace and order bears on the very foundation of a state under the rule of law, we will continue to take all possible measures to ensure safety in the people's livelihood. Moreover, the number of deaths from traffic accidents continue to remain at a high level. We will work for the promotion of traffic safety.

In order to contribute to the building of a peaceful world order and to strive for the realization of a quality of life superpower, it is an indispensable condition that Japan's economy continue developing soundly. The government will continue to promote a sustainable growth without inflation, centering on domestic demand.

As seen in a decrease in housing investments, the Japanese economy has lately slowed down in its expansion tempo. Therefore, it is necessary to manage the economy with thorough considerations given to the market, centering on domestic demand, so that this situation will not significantly cool the psychology of entrepreneurs or consumers.

In formulating the fiscal 1992 budget, the government strove to take a thorough review of expenditures under the decline of tax revenues and other extremely stern financial circumstances. At the same time, it strove for preferential and efficient budget allocations and gave thorough consideration even to the market, after increasing the issue of construction bonds and securing revenue sources by taking necessary measures in terms of the taxation system. As regards investments in public utilities, in particular, the government strove for bold expansions in general expenditures, treasury investements and loans, and independent projects of local administrations, centering on livelihood-related areas. I think that this, along with the lowering of the official discount rate and other measures, will be fully instrumental to securing a sustainable growth without inflation, centering on domestic demand, in the future.

Our national finance still remains in a structurally stern situation as the balance of public bonds is expected to reach as much as approximately 173 trillion yen at the end of fiscal 1992. We must strive to establish a fiscal constitution so as not to cumulate the balance of public bonds, mainly by not issuing deficit-covering public bonds again and without leaving a heavy burden to posterity. We must also maintain the vitality of the economic community in the coming aging society, and properly deal with international contributions and other requests from within and without.

The government will strive for smooth management of local finances, too. The government will also strive for the promotion of deregulations, and continue promoting administrative and financial reforms on the national and local levels, paying regard to the package of recommendations presented by the Provisional Council on Administrative Reform to the maximum.

Taking a look at the latest price trends, their keynote is showing stable drifts. The government will continue to do its best for the stabilization of prices, while carefully watching the trends in the crude oil prices, the exchange rates, and the supply and demand situation at home. It will also continue efforts for rectifying and reducing the price gap between Japan and other countries.

Regarding employment, the government will promote policies for securing and helping talent for small amd medium businesses and local areas come to remain. At the same time, it will strive for substantiating and strengthening measures for the employment of handicapped persons and actively promote the development of occupational abilities.

The small and medium industries are the source of the vitality of the Japanese national economy. We will aim for the development of small and medium industries full of creativity and vitality that can flexibly cope with stern changes in the environment, and strive for the enrichment and strengthening of support for their undertaking of creative businesses and the promotion of the traditional applied-arts industry and other policies for the small and medium industries.

As regards energy, the government will promote the conversion of the supply and demand structure to one of a type that can be in harmony with the environment and promote radical energy-saving measures in all areas of demand. At the same time, in the supply area it will play a sure card for securing a stable supply of oil, while striving to reduce our dependence on oil through the development and introduction of atomic energy and reproducible energy. With regard to atomic power generation, the government will do its level best to foster the trust of the nation by further insuring safety and promoting location arrangements.

At the opening of the 123d Diet session I have viewed the domestic and foreign situations and clarified my policies. As I stated at the beginning, in order for our country to promptly cope with convulsive developments and execute national adminstration infallibly, it is a prerequisite that the government fully display its function with the backing of the nation's trust.

To strive for the establishment of political ethics is above all important for achieving political reform. However, it is true that lying at the root of the people's distrust in government are problems that require institutional solutions apart from the awareness and conduct of individual Diet members. It is also necessary to make arrangements so that political activities that cost no money and policy-centered elections can be brought about. Therefore, the reform of the political fund-raising and election systems is a pressing task. We must also strive to meet the calls for rectifying the difference in the value of ballots.

I sincerely hope that a fruitful agreement will be reached at the Political Reform Consultative Council through the deepening of debates among political parties as quickly as possible. The government will exert its utmost effort in this regard. [applause]

I want to make earnest endeavors so that government can restore the people's trust and fulfill its mission for the country, nation, and mankind of the world, and meet the mandate of the times through such reform. [intermittent applause]

I once again ask my fellow Diet members and countrymen for your understanding and cooperation. [applause]

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## Miyazawa Reiterates Resolve To Promote Reforms

*OW2301081492 Tokyo KYODO in English 0803 GMT 23 Jan 92*

[Text] Tokyo, Jan. 23 KYODO—Prime Minister Kiichi Miyazawa on Thursday reiterated his resolve to promote political reforms in the wake of a cash-for-favors scandal that led to the arrest of one of his close allies.

"We have no option but to work to establish political ethics and to rectify the links between politics and money," Miyazawa told some 150 Diet members of the ruling Liberal Democratic Party (LDP).

Miyazawa was addressing a meeting held by the LDP's political reform headquarters and the research commission on the election system at the party's headquarters.

The prime minister underscored the need to tighten controls on political funds, revise the election system and promote reform of the Diet.

Miyazawa called for the establishment of a system enabling political activities to be less reliant on financial backing.

But he did not elaborate on plans to achieve this, indicating he would entrust the matter to senior members of the political reform headquarters.

### Fuji Industries To Aid China in Car Manufacture

*OW2301082692 Tokyo KYODO in English 0808 GMT 23 Jan 92*

[Text] Tokyo, Jan. 23 KYODO—Fuji Heavy Industries Ltd. will give technological assistance to China to help it produce minicars, its President Isamu Kawai said Thursday.

It will be Fuji's first cooperation agreement with China, when the two parties agree officially in March.

Fuji has agreed in principle with Guizhou Aviation Industry Corp. of Guizhou Province to help it produce 550 cc cars, Kawai said. The cars will be based on Fuji's Rex models but the engine displacement will be smaller than Rex's 660 cc.

Fuji hopes to begin production immediately after the final agreement is signed, with expectations to produce 10,000 vehicles per annum in two to three years.

Guizhou Aviation, operating under the Ministry of Aerospace Industry, also deals with manufacturing of auto parts, trucks, and buses. The firm has been transferring its products from military goods to nonmilitary goods.

Fuji officials said the tie-up should help the company gain a foothold in the Chinese market.

### KDD To Start Digital Circuit Service to PRC

*OW2301172792 Tokyo KYODO in English 1427 GMT 23 Jan 92*

[Text] Tokyo, Jan. 23 KYODO—The Japanese international telecommunications giant, KDD, will start a high-speed digital circuit service between Japan and China on February 1, the firm said on Thursday.

KDD (Kokusai Denshin Denwa Co.) also said the American Telephone and Telegraph Co. (AT&T) will launch a similar service between the United States and China the same day.

This is being made possible by the completion by the Chinese Directorate General of Telecommunications (DGT) of China's first international digital telecommunications system, with the cooperation of KDD and AT&T, KDD officials said.

The construction of satellite telecommunications earth stations for Intelsat Business Service (IBS) in Beijing and Shanghai is scheduled for completion on January 31.

So far, there have been only low- to medium-speed leased circuit services between China and other countries.

The inauguration of the high-speed digital circuit service will make high-speed data communication between China and Japan and China and the U.S. possible.

KDD, AT&T and DGT are also laying the groundwork for the construction of a fiber-optics submarine cable between Japan and China for smoother communication between the two countries, officials said.

This cable is scheduled for completion in 1993.

### Defense Agency Director Miyashita Interviewed

*SK2401134792 Seoul CHOSON ILBO in Korean 21 Jan 92 p 11*

[Interview with Sohei Miyashita, director general of the Japan Defense Agency, by CHOSON ILBO editorial writer Yi To-haeng in Tokyo—date not given]

[Text] [Yi To-haeng] Let me get straight to the point. Why is Japan trying to send its troops overseas despite opposition at home and abroad? The Self-Defense Force has become enough of a prominent world-class force for Japan to look like a military power. Therefore, its dispatch overseas will inevitably remind us of the past deeds of the Japanese militarists.

[Sohei Miyashita] Peacekeeping operations...were first talked about last fall, when Iraq invaded Kuwait. This created controversy. At that time, Japan extended only financial assistance. We presented the UN cooperation bill at a special Diet session, thinking that there would be times when it is necessary to make military contributions. The proposed bill even allows the extension of rear-area assistance to the multinational forces. Because, if the Self-Defense Force goes to the battlefield, it may get involved in the war and because there are constitutional restraints, the government voluntarily withdrew the bill.... The war ended, and Japan extended $13 billion in assistance.

However, the international community did not seem to think much of our financial contribution. We again presented the bill to the Diet, thinking that, as we have taken the lead in UN-centered diplomacy, we must contribute to peace using our manpower. The most important focus for now is: Suppose two warring countries agree on the cessation of hostilities. They must decide whether they will allow foreign countries to participate in peacekeeping operations. If they fail to agree on that, we cannot go.

[Yi] You mean that your country will act only when the warring countries reach an agreement to allow it. That is, if conflicts break out on the Korean peninsula and if either of the two sides, the North and South, says no to participation by the Self-Defense Force (even as part of UN activities), you cannot participate. Is that correct?

[Miyashita] Yes. There will be no war between the North and South.... However, you talked about such a hypothetical war.... If two specific countries end their conflict, there must be a formal agreement. The United Nations will ask us to send our troops only after it verifies an end to the conflict. We will carry our weapons, of course, and the number of troops will be limited to 2,000.

The use of weapons will be restricted to legitimate self-defense. Moreover, commanders will not order the discharge of a firearm: Troops will use their weapons only when their lives are threatened. It will be necessary for them to carry rifles, pistols, machine guns...and armored personnel carriers in case there are mines in their way.

[Yi] Japan will have to transport its ground force units to overseas locations by sea or air. Convoys must escort transport ships or planes, must they not?

[Miyashita] We will not send troops under those circumstances. If we have to send fighters to convoy our transport planes or escort ships to convey our transport ships, we will not send our troops overseas, because we may get involved in conflicts in doing so.

[Yi] Japan sent minesweepers to the Gulf region last year. Will Japanese ships do nothing if they are attacked under similar circumstances?

[Miyashita] It is absolutely unthinkable for any country to commit hostilities against us.... We will have no alternative but to resort to self-defense if pirates attack us.

[Yi] Do you mean that those minesweepers have means to defend themselves?

[Miyashita] There are none.

[Yi] Then, who will defend those ships?

[Miyashita] No one will.... I mean that they can use their small weapons when their lives are threatened.

[Yi] I now feel at ease when I hear what you say.

[Miyashita] I sincerely hope that you will understand us. Also, we are absolutely not obliged to send our troops overseas even if the United Nations asks us to. Our country's independent judgment takes precedence.

[Yi] Let us view Japan's military power and the international situation. In case a new order is built as the Soviet Union has collapsed, it is generally believed, it will be the United States and Japan that will build that order. Japan's military power is striking in this respect. Military power means forces and, that is, weapons. Weapons, that is, guns, are fired in certain directions. At what direction are Japan's weapons aimed?

[Miyashita] Our weapons are not aimed in a specific direction. We will only defend ourselves if we are attacked. Having capable forces means having deterrent power. It is necessary to create the impression that Japan is a country that one cannot attack at random because Japan has core military units...and because the U.S.-Japanese security structure is well established. Still, our perception is not based on threats of specific countries: Rather, our perception lies in the notion that we should not allow any aggression that infringes upon our sovereignty and that we must not create a power vacuum and must have a basic defensive capability that a sovereign state should have.... Our Constitution bans the possession of ICBM's or submarines.

[Yi] Your Constitution does not specifically say that the possession of certain weapons shall be banned, does it?

[Miyashita] Yes, you are correct. But, as I said, that is an interpretation of the Constitution. We cannot use our military power for collective-security purposes. I mean we use our military power only when Japan is attacked. The right to self-defense is recognized in international law. So, we must possess defensive weapons only.

Exclusive defense is, first, preventing foreign countries from attacking us, second, defending ourselves in case of a limited, small-scale attack, and, third, receiving U.S. assistance in case of a large-scale attack. This is Japan's concept of exclusive defense.

[Yi] I think that your explanation is quite convincing. Nevertheless I would like to draw your attention to the Japanese white paper on defense, which is issued every year. The white papers issued, in particular, from the end of the 70's to the first half of the 80's, carry very outright expressions. As an example, let's refer to the Self-Defense Force's military operations and operational guide in one of the white papers. You will find an expression, "military strength is a means to repel political threats." You will also note another expression, "the Japanese Self-Defense Force's operational scope is not necessarily limited to the Japanese territory, territorial waters, and territorial air." These expressions imply that Japan is showing a cloven hoof as a militarist bit by bit. I think that the people of the peripheral countries, inlcuding the ROK, who had experienced the suffering and sorrow Japan inflicted upon them in the past, will feel that way. In addition, Japan is investing tens of billions of yen to develop military equipment, including an escort ship with missiles and ultrasuper elite nuclear submarines. If the Japanese weapons are not aimed in a specific direction, as you put it, is it really necessary to develop such ultrasuper elite weapons only for exclusive defense? Now, as for the defense budget, though this year's increase has been slowed somewhat, the rate of increase is maintained at a ratio that is far beyond other countries' reach. How would you explain this?

[Miyashita] Let me answer several questions that you raised. First, I understand that we are not motivated by such a concept as a military response to a foreign country's political pressure. Second, surely we cannot imagine any kind of war situation that limits operations to territorial waters and territorial airspace. For example, we conduct an operation to defend sea routes in international waters. It is inevitable to escort the ships for self-defense, because we import almost all raw materials from abroad (This remark contradicts his previous statement). This means that we are allowed to perform operations beyond territorial airspace and territorial waters. Concerning the military equipment, we do not have any plan to adopt nuclear submarines. We have missile-carrying warships and Aegis-type warships, but their range is short. We also have Patriot missiles, which proved their power during the Gulf war.

This equipment is only for the purpose of repelling at the gate the forces that would attack Japan, but it does not have sufficient range to attack other countries.

Currently all countries are inclined to go toward disarmament. Under such circumstances, it seems that only Japan is strengthening its armament. Well, you can say that from external figures or equipment. But, look, the actual manpower of the Self-Defense Force is 250,000 versus the quota of 270,000. In contrast with the quota of 180,000, the actual number of the army is 150,000, due to a lack of volunteers. On top of this, the salary is very high and this year's pay increase cost 80 billion yen. This increase will contribute to raising the defense budget by 2 percent. This means that the salary itself occupies a great portion of the budget.

[Yi] It is true that the salary burden of the Japanese defense budget was very high until the 1970's. However, since the 1970's, the cost for equipment procurement has been gradually increasing more than salaries. Then, the situation was reversed and the cost for weapon procurement was more than salaries.

[Miyashita] You know the details quite well. That is true.

[Yi] Let me tell you one more thing. We can name the size, structure, and deployment of the bases on which we evaluate military capabilities. The size of the Japanese Self-Defense Force is really small. However the structure is very sound, having a diamond shape. The waist or middle part is very thick. This indicates that the entire army was converted into a reserve army. Under such a system, in an emergency, the army can be expanded four or five times. Under the post-World War I Versailles system, the German army was allowed to have fewer than 100,000 men. But the German army was expanded to 5,000,000 just before World War II. North Korea also converted its entire army into a reserve army, equipping itself with the ability for one man to be the match for 100. I think that the Japanese Self-Defense Force has the same system, doesn't it. You have a noncommissioned officer-centered Self-Defense Force with high morale, good quality, and strict discipline, on which our Korean and the West's people are keeping their eyes.

[Miyashita] Well, I don't think that it is true. It seems that you are quite mistaken (laughter). The Self-Defense Force is the army and requires an organizational structure. However I don't think that the Japanese Self-Defense Force is well prepared to move promptly in an emergency. You may think that it is very silly for the Defense Agency minister to say that our defense readiness is negligible. But it is the true reality.

## Exchange Moves Said Within G-7's Agreed Range

*OW2401105992 Tokyo KYODO in English 1040 GMT 24 Jan 92*

[Text] Tokyo, Jan. 24 KYODO—The current movements in the currency market is within a range secretly agreed on by the Group of Seven (G-7) major industrial countries, a senior Finance Ministry official said Friday.

Vice Finance Minister Hiroshi Yasuda said at a press conference that the range has changed since last year and the current market is moving within the range.

"I am not at all worried about the current exchange market," he said.

Earlier in the day, another senior official of the ministry said the growth of the world economy and assistance to the former Soviet Union will dominate the meeting of the finance ministers and central bankers of the G-7 nations on Saturday in New York.

Yasuda indicated the exchange issue will not be a large topic at the meeting.

## Farm Ministry Probes Suspected Misuse of Funds

*OW2401074192 Tokyo KYODO in English 0722 GMT 24 Jan 92*

[Text] Tokyo, Jan. 24 (KYODO)—The Ministry of Agriculture, Forestry and Fisheries said Friday it is investigating reports that a massive amount of funds provided by a bank under its supervision were misused and funneled into stock trading.

The transfer violates ministry regulations.

The reports said major parcel delivery firm Tokyo Sagawa Kyubin Co. and its farm products transportation affiliate appropriated 8 billion of 8.5 billion yen borrowed from the Norinchukin Bank to other firms for investment in stocks in 1990.

okyo Sagawa Kyubin later repaid the remaining 500 million yen, the reports said.

Norinchukin officials said they had no knowledge that the bank's funds were misused.

Norinchukin, founded by the ministry in 1943, offers financial help to agricultural and forestry organizations. It was privatized in 1986 but its lending operations still remain under the ministry's supervision.

The ministry officials said the bank is allowed to provide loans only for promotion of the agricultural industry.

Tokyo Sagawa Kyubin, responding to the ministry's inquiry, has denied it misused the funds borrowed from Norinchukin, the officials said.

The company came under fire earlier this month for alleged links with the Inagawa-kai, a major underworld crime syndicate in Japan.

Tokyo Sagawa Kyubin was alleged to have forged documents to guarantee loans extended to firms affiliated with the Inagawa-kai.

## Financial Reform Bills Submitted to LDP

*OW2401051292 Tokyo KYODO in English 0452 GMT 24 Jan 92*

[Text] Tokyo, Jan. 24 KYODO—The Finance Ministry on Friday presented to the ruling Liberal Democratic Party (LDP) a package of reform bills aimed at preventing unfair trading practices in the financial markets, ministry officials said.

The proposed legislation, submitted to a financial subpanel attached to the LDP's policy-making committee, includes a bill that would create a semi-independent watchdog committee to inspect and monitor securities markets.

Subject to an exchange of opinions between the ministry and the LDP, the bill regarding the watchdog body will be submitted to the Diet by February 15 so that it can be discussed along with the fiscal 1992 budget, with the aim of creating the new body in July, the officials said.

Creating such a new organization will require funding to be set aside in the fiscal 1992 budget. The ministry has been working on details of the bill since late September after an advisory panel to the prime minister proposed setting up such a watchdog body.

Also included in the package are measures calling for enhancing the function of a securities industry trade group that sets self-governing industry rules, and raising penalties imposed on corporations involved in illegal practices in financial markets.

The proposed legislation would also relax regulations that separate the banking and securities businesses and segregate the banking sector itself.

As reported earlier, the bills stop short of giving banks access to the entire securities business as they call for a ban on brokerage business by securities subsidiaries of banks for the time being.

The bills would also alter existing laws governing the banking business so that different types of banks could merge. The change would particularly affect the nation's three long-term credit banks and the Bank of Tokyo, the only bank that specializes in foreign exchange.

Under the current banking law, commercial banks cannot merge with other types of banks such as the long-term credit banks—the Industrial Bank of Japan, the long-term Credit Bank of Japan, and Nippon Credit Bank.

The proposed bill would also pave the way for the three long-term credit banks and the Bank of Tokyo to convert into ordinary commercial banks, another change that would make it easier for them to merge with different types of banks.

The bills other than one concerning the watchdog body will be submitted to the Diet by mid-March, the ministry officials said.

## Cabinet Sets 3.5 Percent Economic Growth Target

*OW2401033192 Tokyo KYODO in English 0215 GMT 24 Jan 92*

[Text] Tokyo, Jan. 24 KYODO—Prime Minister Kiichi Miyazawa's cabinet formally set the official estimate of the nation's real economic growth rate for fiscal 1992 at 3.5 percent.

The 3.5 percent increase in gross national product (GNP) represents a moderate reduction from an estimated growth of 3.7 percent for fiscal 1991, which ends March 31.

The economic forecast on which the cabinet's fiscal 1992 budget is based says the GNP, the total value of goods and services produced in the fiscal year will amount to 483.7 trillion yen, up 5.0 percent in nominal terms from the previous year.

The cabinet approved in late December its fiscal 1992 state budget plan, which calls for a moderate 4.5 percent increase in general operating spending because of the economic slowdown.

It predicts fiscal 1992 prices will remain stable with wholesale prices inching down 0.2 percent, compared with an estimate of a 0.4 percent drop in fiscal 1991, and consumer prices rising 2.3 percent against this fiscal year's 2.9 percent rise.

Consumer spending, which accounts for nearly 60 percent of GNP, is expected to post a 5.8 percent gain, and private-sector housing investment will also grow 4.5 percent, according to the outlook.

It predicts the country's current account surplus will shrink to 71 billion dollars from fiscal 1991's 72.5 billion dollars, and the balance of merchandise trade will be in the black by 96.5 billion dollars, down slightly from 98.5 billion dollars.

## Hata Unwilling To Cut Defense Budget Further

*OW2401041192 Tokyo KYODO in English 0348 GMT 24 Jan 92*

[Text] Tokyo, Jan. 24 KYODO—Finance Minister Tsutomu Hata indicated Friday the government is unwilling to further cut the defense outlay for the fiscal 1992 budget.

"We believe the draft budget is the best possible spending plan under the current circumstances and will seek the understanding of opposition parties about it," Hata told a press conference after a regular cabinet meeting.

The draft budget the government will submit to the Diet in the session beginning Friday well reflects the changing conditions surrounding the nation's security, Hata said.

"We took into full account the proceeding detente and shrinking military spending in major countries in drafting the budget" for the fiscal year starting April 1, he said.

The government's budget plan would allow a 3.78 percent increase in military spending to 4.55 trillion yen—the smallest rate of increase in more than 30 years. Hata said the government had already restricted spending in line with the changing situation, especially concerning weapons purchases.

But defense is the basic function of a nation, and uncertain aspects remain in the world political situation, he said.

Hata was responding to a question about remarks made Thursday by a senior official of the Liberal Democratic Party suggesting the ruling party is ready to agree to slash the defense outlay through budget negotiations with opposition parties.

Hata also said the current exchange market shows no signs of digressing from the economic fundamentals of the major countries.

He said he is not worried about the dollar's slight rebound against the yen.

## Report Says Labor Shortage Likely To Continue

*OW2301104992 Tokyo KYODO in English 1038 GMT 23 Jan 92*

[Text] Tokyo, Jan. 23 KYODO—Japan's labor shortage may not ease despite the emerging economic slowdown, DKB Research Institute Corp. said in a report released Thursday.

After lengthy economic expansion, Japan is suffering a serious shortage in its work force with the ratio of job offers to seekers hitting 1.47 last March, the report said.

Japan once experienced a similar severe labor shortage in the early 1970s but the ratio fell below 1.0 because of the economic slump during the decade, the private-sector think tank, affiliated with Dai-Ichi Kangyo Bank, said.

This time, however, there is only a slight possibility of a labor surplus being created, it predicted.

The report attributes the pessimistic view to the fact the economy is retreating at a much slower pace than in the past and the shortening of working hours.

It said because of speculation the labor shortage will continue, companies are being prudent about reducing employees despite the slowdown. Also, a smaller population increase among the young may limit the labor supply.

## Top Union Leader Rejects 'Low' Wage-Hike Offer

*OW2401055592 Tokyo KYODO in English 0522 GMT 24 Jan 92*

[Text] Tokyo, Jan. 24 KYODO—The head of Japan's largest labor organization Friday rejected low wage hikes suggested by employers for the annual "spring labor offensive" negotiations, union officials said.

Japan Trade Union Confederation (Rengo) leader Akira Yamagishi made the refusal in a meeting with the chairman of the Japan Federation of Employers' Associations (Nikkeiren), Takeshi Nagano, to exchange views on the upcoming wage talks, the officials said.

Yamagishi told Nagano his eight-million strong labor group will demand wage hikes of 7 percent to 8 percent and shorter working hours.

Nagano, whose organization has called for holding wage increases to as low as 2.2 percent, reportedly rejected Yamagishi's position, citing Japan's business slowdown.

But Nikkeiren, an organization of large and medium-sized companies, is ready to give priority to further cutting working hours, Nagano said, calling it the most important current labor issue, according to the union officials.

Japanese wage earners worked an average 2,044 hours in 1990, some 200 to 400 hours more than their U.S. and West European workers.

Last year management and labor agreed to an average wage hike of 14,911 yen per month, or 5.65 percent.

## Auto Production Output Said To Decline in 1991

*OW2401070192 Tokyo KYODO in English 0626 GMT 24 Jan 92*

[Text] Tokyo, Jan. 24 (KYODO)—Japan's production of cars, buses, and trucks dropped 1.8 percent in 1991 from the previous year to 13,245,432 vehicles, the first fall in four years, an industry association reported Friday.

The Japan Automobile Manufacturers Association blamed sluggish sales in both domestic and overseas markets for the decline.

Output for the domestic market during the January-December period dropped by 3.2 percent to 7,524,751 vehicles, the first annual drop in 11 years.

Production for export also fell by 1.3 percent for the sixth consecutive year to an estimated 5,750,000 vehicles. The figure for overseas markets is preliminary as calculations for December have not been completed.

By category, production of passenger cars for both domestic and overseas markets dropped by 2.0 percent to 9,753,069 for the first fall in seven years.

Output of trucks slipped for the third straight year by 1.4 percent to 3,447,914, while that of buses jumped by 10.6 percent to 44,449.

The association noted demand for passenger cars was sluggish due mainly to relatively inactive personal spending amid the slowing economy.

In December alone, overall production fell 1.9 percent from a year earlier to 1,070,633 vehicles, despite the large-scale Tokyo motor show taking place and a series of new model releases by automakers, the association added.

Production for domestic demand fell 9.9 percent from a year earlier, and output for overseas markets slipped 0.2 percent.

Total output for the month was 797,667 passenger cars, down 1.5 percent, 268,970 trucks, down 3.2 percent, and 3,996 buses, up 25.1 percent.

## Ethylene Output Tops 6 Million Tons in 1991

*OW2301091992 Tokyo KYODO in English 0836 GMT 23 Jan 92*

[Text] Tokyo, Jan. 23 KYODO—Output of ethylene in 1991 increased 6 percent from a year earlier to 6,141,800 tons, surpassing six million tons for the first time, the Japan Petrochemical Industry Association said Thursday.

Demand for ethylene, a basic material for petrochemical products, began to shrink from last August but revived during the October-December period, rising 3 percent from a year before to 1,581,000 tons for the three months, assoication officials said.

In 1990, when there was strong demand for ethylene, output came to 5.8 million tons, the officials said.

Association Vice Chairman Masaki Yoshida said, however, "the nation's economy seems to have considerably retreated, so the outlook for demand (for ethylene) is quite severe."

## Council Urges Doubled Research Investment

*OW2401021792 Tokyo KYODO in English 0150 GMT 24 Jan 92*

[Text] Tokyo, Jan. 24 KYODO—The Council for Science and Technology called on the government Friday to double its investment in research and development and strengthen basic research in Japan's universities and research institutes.

In a report delivered to Prime Minister Kiichi Miyazawa, the council stressed that for economic superpower Japan to be recognized by international society, it should make contributions to humanity through science and technology.

The government plans to have an outline of a new policy for science and technology based upon the council report by the end of March.

The council proposed private capital and a system of research evaluation be introduced to energize research at universities and national research institutes.

The government's leading organ for deliberating science and technology policy also suggested that capital and human resources for core research facilities be distributed according to the importance of the research.

Because of the strong demand by private firms for research development, industrial technology has become highly developed in Japan, while research at universities and national institutes has suffered dramatically, the report said.

For this reason, the most urgent matter is to strengthen the fundamental research in these public institutes, it said.

The council also noted that Japanese technology has not yet been "internationalized," since there is an imbalance in exchanges between Japanese researchers and American and European researchers, and because Japan does not hold any subjective joint international research.

The report urged the government to assume a strong leadership in research while encouraging private research and wide-ranging improvement in the "warped" framework of science and technology in Japan that has been criticized overseas.

"The government should double its investment in research and development as soon as possible," the report urged, adding that while the U.S. Government funds nearly half of that country's research, government investment in Japan is less than 20 percent and decreasing annually.

The report, the 18th by the council, also stressed the importance of researchers, forecasting that the demands for researchers at the start of the next century will be doubled and that Japan faces the danger that it may lack in researchers in the future.

The council recommended that in order to improve the level of basic research, women and foreign researchers should be promoted, while the treatment and environment of the researchers should also be improved.

Further, research exchanges both domestically and abroad need to be promoted and severe appraisals of research need to be conducted, it said.

### Fisheries Agency To Pay for Rescue of Dolphins

*OW2301083592 Tokyo KYODO in English 0745 GMT 23 Jan 92*

[Text] Tokyo, Jan. 23 KYODO—The Fisheries Agency said Thursday it will pay expenses incurred by fishing cooperatives to release dolphins and other small whale species caught in fixed nets.

The main aim of the measure is to alleviate the cost to cooperatives but as Japan has the world's largest dolphin catch, it will also contribute to easing world concern over their preservation, agency officials said.

The agency will pay half the cost of rescuing dolphins and will also set up a committee to research safer methods of rescue.

Cooperatives will use the money to hire boats to release dolphins from nets and cover the cost of repairs to damaged nets.

In 1991, the industry returned a total of 50 whales to open seas after rescuing them from nets.

In 1988, about 40,000 dolphins were caught mainly in waters off Iwate and Wakayama prefectures but following an International Whaling Commission resolution calling for a reduction in the catch to 10,000, the total fell to 18,000 in 1991.

## North Korea

### 'High-Level' Talks With U.S. Begin 22 Jan

*SK2301233192 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 23 Jan 92*

[Text] High-level talks between the DPRK delegation led by Kim Yong-sun, secretary of the Workers Party of Korea [WPK] Central Committee, and the U.S. delegation led by Arnold Kanter, under secretary of state for political affairs, were held on 22 January in New York in the United States.

Present from the DPRK side were Kim Hyong-u, deputy director of a department of the WPK Central Committee; Ho Sok, section chief of the WPK Central Committee; Kim Kye-kwan, ambassador-at-large in the Ministry of Foreign Affairs; and other relevant functionaries. Present from the U.S. side were Richard Solomon, assistant secretary of state for East Asian and Pacific affairs; Douglas Paal, special assistant to the President and director of Asian affairs for a National Security Council bureau; James Lilley, assistant secretary of defense for international security affaris; Desaix Anderson, deputy assistant secretary of state for East Asian and Pacific affairs, and other relevant officials.

At the talks, both sides exchanged views on issues of mutual interest, including nuclear weapons on the Korean peninsula and improvement of relations between the DPRK and the United States.

The talks were held satisfactorily [manjoksroge] in a frank [soljikhago] and constructive [konsoljokin] atmosphere.

The U.S. side arranged luncheon for our country's delegation led by Secretary Kim Yong-sun.

### U.S. Reports of Missile, Technology Sales Denied

*SK2401145292 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 24 Jan 92*

[Text] According to news reports from Washington, the person holding the title of minister of the U.S. Central Intelligence Agency is reported to have babbled preposterously before a recent meeting of the U.S. Senate Armed Services Committee that our country has been selling long-range missiles and related technology to other countries.

Because it is universal knowledge that the U.S. imperialists habitually employ the hackneyed trick of provoking other countries they find unpalatable without due cause, slandering and vilifying them, there is nothing new in such sophistry.

Essentially, our country, proceeding from its peace-loving foreign policy, values friendship and unity with other countries and has not sold any types of weapons.

As is widely known, thanks to our Republic's active efforts, the North and South have recently adopted an agreement on reconciliation, nonaggression, exchange, and cooperation between them and a joint declaration on turning the Korean peninsula into a nuclear-free zone. Accordingly, a situation favorable for ensuring peace and stability in Northeast Asia surrounding the Korean peninsula is now developing. As a result, our country's peace-loving foreign policy is now supported and appreciated by the international community as a matter of course. In spite of this, the United States does not hope for such a development and must be embarrassed at the daily soaring authority and stature of our Republic. Precisely because of this, the United States clings to fabricating preposterous fictions.

When speaking of weapons exports, the United States, the caudillo of the merchants of weapons of mass destruction, should be condemned as a matter of course.

According to a report released last August by the U.S. Defense Intelligence Center [as heard], during the 1991 fiscal year alone, weapons sold by the United States amounted to $41 billion, and the United States has sold weapons to more than 125 countries over the past 10 years.

On 26 November last year, members of the U.S. House of Representatives, including the chairman of the U.S. House Foreign Affairs Committee and the chairman of the subcommittee on Middle Eastern affairs, sent a letter to the U.S. President protesting the U.S. administration's attempt to sell Patriot missiles worth $3 billion and 75 F-15 fighter-bombers worth $4 billion to the Middle East region while the U.S. Congress was in recess.

This notwithstanding, these persons who tried to throw mud at our country are nothing but brazen-faced fellows. The United States should immediately abandon its strategic propaganda of provoking others without due cause and of slandering and vilifying them. In keeping its back turned on the world, the United States runs counter to the stream of the times.

## U.S. Urged To Promote Inter-Korean Development

*SK2401051692 Pyongyang Korean Central Broadcasting Network in Korean 0945 GMT 19 Jan 92*

[Unattributed talk: "U.S. Should Stand in a Position to Promote Positive Situational Development on the Korean Peninsula"]

[Text] Recently U.S. President Bush visited South Korea at a time when our people are eager to achieve peace and the country's reunification as soon as possible, and when the signs of peace and for reunification currently appear on the Korean peninsula and in North and South relations.

As a concerned party, which is responsible for the Korean issue, the United States should watch the positive developments on the Korean peninsula and should stand in a position to promote it.

However, in his formal statements in South Korea, Bush reconfirmed the U.S. security commitment to South Korea and said it is U.S. policy to maintain the commitment in the future.

He also said that the North should remember that the United States would continue to deploy its troops in South Korea as long as South Korea wants.

As everybody knows, the so-called U.S. security commitment to South Korea means the continued presence of U.S. troops in South Korea according to the defense agreement which authorizes its unlimited privileges.

The U.S. troops in South Korea are the original factor aggravating tension on the Korean peninsular. This is the very reason why our fatherland cannot be undauntedly reunified and our people suffer from division.

Today, the North and South adopted the historical North-South agreement to ensure reconciliation and nonaggression and took a significant step toward peace. The United States should not block this.

However, while saying he welcomes the North-South agreement in which the North and South promised to resolve the peace and reunification issue hand in hand, Bush made uncalled-for interferences into the Korean issue by reconfirming security commitments and desires to keep U.S. troops in South Korea.

This is an act running counter to the international current of easing tensions and withdrawing troops dispatched abroad, and an act that throws cold water on the newly created atmosphere of nonaggression and reconciliation on the Korean peninsula.

We cannot say that Bush's attitude toward the nuclear issue is based on a sincere position to guarantee peace on the Korean peninsula.

As a matter of course, Bush should have been in a position to respect the particulars of the North-South agreement during his visit to South Korea since he paid a visit there right after the North and South agreed to make joint efforts for the nation's denuclearization and decided to announce the joint declaration on denuclearization of the Korean peninsula.

However, without saying a word as to whether nuclear weapons exist or not when he came to South Korea—which is known to have some 1,000 U.S. nuclear weapons at present—he urged us to accept the nuclear inspections with a veiled threat, saying that the U.S. peace suggestion is backed up with its military resolve.

This reveals that the United States still adheres to the policy of trying to resolve issues from a position of strength.

Any external pressure can neither make us do something that should not be done nor make us not do something that should be done.

The United States should just do its duties, such as withdrawing its nuclear weapons from South Korea, and stop threatening the DPRK since the North and South have adopted the North-South agreement and have agreed on denuclearization of the Korean peninsula.

Bush's remarks regarding our country's reunification issue also cannot be regarded as proper.

The North and South of Korea are trying to move together toward reunification by reconciliation, unification, cooperation, and exchange. At such a time, the United States should aid Korea's reunification since it was the instigator who divided Korea and has maintained its division for almost half a century.

Nevertheless, Bush interpreted the situation as he liked, saying the changed general trend is on their side. He also snapped out some nonsense that the United States supports the peaceful reunification only under conditions that the Korean people can accept.

This was intended to agitate the South Korean authorities to insist on the reunification through absorption and to aggravate the conflict between the North and South.

The reunification of the Korean peninsula through absorption is an illusion that cannot be realized. It is opposed to the interests of all Korean people including South Korean people to maintain division with such an excuse as reunification through absorption.

In fact, the United States is not yet in a sincere position to resolve the issue of Korea's reunification. We cannot but conclude that the United States is pursuing an obsolete adversarial policy concerning our Republic and the policy of two Koreas.

Such U.S. policies are of no good not only to the cause of Korea's peace and reunification but also to the United States itself.

The times have changed. It is time for the United States should modify its policy on Korea to correspond to the independent and peaceful trends of the times and to the North-South relations that are stepping onto a new stage.

The United States should be duly responsible for the Korean peninsula's peace issue and should take steps to withdraw the U.S. troops from South Korea in accordance with the new changed situation.

The United States should do things that help Korea's peace and reunification. It should discard the adversarial policy concerning the DPRK and stand in a sincere position to improve relations between the DPRK and the United States.

### Total U.S. Withdrawal Necessary

*SK2401104792 Pyongyang KCNA in English 1024 GMT 24 Jan 92*

["The United States Must Rectify Its Korea Policy"—KCNA headline]

[Text] Pyongyang January 24 (KCNA)—The United States must discard the line of division and war against the Korean people and replace its old Korea policy by a new fair one so that peace may be guaranteed on the Korean peninsula and a peaceful reunification of Korea be accelerated, says NODONG SINMUN in a by-lined article today.

Recalling that during his visit to South Korea some time ago the U.S. chief executive said the U.S. forces would continue to be present in South Korea "as long as South Koreans want it" and impudently blared that North Korea should bear this in mind, the article says:

This revealed the U.S. position of strength and strongarm attitude toward us.

Although the U.S. authorities claim the South Korean people want the U.S. forces to remain in South Korea, it is an utter distortion of truth. Nobody but a handful of traitors wants it. U.S. troop pullout is their unanimous demand.

The United States has described the presence of its forces in South Korea as a necessary step for confrontation between superpowers and is now advertising the termination of the cold war. Hence no ground for it to keep its forces in South Korea.

There is no superpower now which the United States has regarded as a target of confrontation.

All the moves of the United States at present show that it has, in actuality, shifted the main theatre of the cold war to the Asian region and is now trying to gratify the ambition for world domination here through the socalled "strategy of settlement of regional disputes," a "new military strategy," and directing the sharp edge of confrontation against our Republic. To this end, the U.S. imperialists intend to keep their forces in forward areas of South Korea for an indefinite period and threaten and blackmail our Republic. Their talk about instability and uncertainty of the situation in a dig at us is a sophism meant to justify such moves.

The United States must act in conformity with the conditions of today when the past cold war structure and East-West confrontational system have crumbled and the North and the South have agreed to nonaggression on the Korean peninsula.

In changing the old Korea policy into a new fair one it is important for the United States to totally withdraw its forces from South Korea and replace the Korean Armistice Agreement by a peace agreement.

The United States, being responsible for the Korean question, must fulfil its obligations in this matter.

It is important to develop the already begun DPRK-U.S. contact into a dialogue for resolving the fundamental problems existing between the two countries.

If the United States reexamines its Korea policy and the fundamental problems between the DPRK and the U.S. are resolved, it would open a good prospect for the improvement of the situation on the Korean peninsula and in the Asia-Pacific region.

### U.S. Forces Stage Joint 'Large-Scale' Exercise

*SK2401061792 Pyongyang KCNA in English 0440 GMT 24 Jan 92*

[Text] Pyongyang January 24 (KCNA)—The U.S. Pacific Airforce and Navy commands Wednesday staged a large-scale joint aerial war exercise against the northern half of Korea, according to military sources.

An estimated 280 fighter planes were involved in the exercise which took place under the command of the E-3A AWACS [airborne warning and control system] brought from Kadena [Air Force] Base in Okinawa.

On the same day, the U.S. imperialists sent an overseas-based KC-135 tanker plane to the sky above the West Sea off Kunsan to stage an exercise for mid-air refueling of some 20 F-16 fighter-bombers.

In another development, mechanized infantry units of the South Korean puppet army that day held an attack exercise aimed at breaking through the Military Demarcation Line with the support of tanks, artillery pieces and flying corps. And formations of armed helicopters of the puppet army staged air strike exercises, making low-altitude and ultra low-altitude flights under our very eyes.

The warplanes mobilized in the aerial war games against the North that day alone numbered more than 650.

### U.S. Exercises 'Jeopardizing' Peace on Peninsula

*SK2401110192 Pyongyang KCNA in English 1041 GMT 24 Jan 92*

["War Moves of U.S. Imperialists and South Korean Authorities Are Unpardonable"—KCNA headline]

[Text] Pyongyang January 24 (KCNA)—NODONG SINMUN in a by-lined article today hits out at the U.S. imperialists and the South Korean authorities who are becoming all the more undisguised in their moves toward confrontation and war in disregard of the reality in which an agreement was reached and a joint declaration on denuclearization published between the North and the South of Korea.

Recalling that the United States and the South Korean authorities have staged ground and aerial war games against the northern half of Korea, going against peace and reunification, shortly after they announced the discontinuation of "Team Spirit" joint military exercises this year, the article says:

These war gambles against the North held in South Korea every day this year are gravely jeopardizing peace on the Korean peninsula and casting shadows of disappointment on the desire of all the Koreans for national reunification.

The developments show that there is no change in the aggressive Korea policy of the U.S. imperialists and in the policy of confrontation and war of the No Tae-u ruling group which is following them.

To remove the danger of war and ease the tensions on the Korean peninsula is the most important matter for a peaceful reunification of the country.

A solution of this matter requires that the North and the South implement the provisions of the agreement in deeds.

The actions of the South Korean authorities behind the curtain of the inter-Korean agreement, however, are contrary to the spirit of the agreement. This means that they are intending to persist in their moves toward confrontation and war in league with outside forces against fellow countrymen.

The confrontation and war moves of the U.S. imperialists and the South Korean authorities run counter to the trend of the times toward independence and peace.

Such moves can never be pardoned.

The South Korean authorities must discontinue all the war games they are staging in league with outside forces against fellow countrymen and must renounce their old policy of confrontation and war in keeping with the changed reality in which the North and the South have agreed to nonaggression and published a joint declaration on denuclearization.

Since the North and the South of Korea have agreed to solve the questions of peace and reunification of the country by the efforts of the nation itself, there is no ground for the United States to remain in South Korea. The United States must withdraw all its troops and war materiel from South Korea and stop encouraging the South Korean authorities to confrontation and war.

We will keenly follow the reckless war moves of the U.S. imperialists and the South Korean authorities with heightened vigilance.

### Students Vow Revenge on U.S. for 'Atrocities'

*SK2401104192 Pyongyang KCNA in English 1016 GMT 24 Jan 92*

["Revenge-Vowing Meeting"—KCNA headline]

[Text] Pyongyang January 24 (KCNA)—Thirty years have passed since the dear leader Comrade Kim Chong-il visited the newly-opened Sinchon Museum in South Hwanghae Province in January 1962 and said the bloody lesson of Sinchon must not be forgotten.

During the Korean war the U.S. imperialist aggressors temporarily occupied the Sinchon area and murdered more than 35,000 people, or a quarter of the population of Sinchon County. They brutally murdered more than 500 mothers and children in two warehouses in Wonam-ri of the county.

University and college students from all parts of the country held a revenge-vowing meeting in the Pamnamu Valley on January 23.

The speakers recalled that the U.S. imperialist aggressors perpetrated most diabolic and shocking atrocities, shooting dead patriots and even old folks, women and children, gouging out eyeballs, dismembering people, burning them alive, driving nails into the foreheads of people and dragging people around after passing wires through their noses and throwing them into a reservoir, and committed unpardonable crimes, dropping germ and poison gas bombs indiscriminately in disregard of international accords.

Failing to draw a proper lesson from their defeat in the Korean war, the U.S. imperialists have ceaselessly committed military provocations and hastened preparations for a new war of aggression, a nuclear war, the speakers said.

They urged that the U.S. imperialists should not cry for "peace" and "arms cutback" only in words, but should practically pull all their aggression troops out of South Korea.

A resolution to take revenge on the aggressors was read at the meeting.

### Diplomatic Relations Opened With Kyrgyzstan

*SK2401050192 Pyongyang KCNA in English 0435 GMT 24 Jan 92*

[Text] Pyongyang January 24 (KCNA)—A joint communique on the opening of diplomatic relations between the DPRK and the Republic of Kyrgyzstan was signed in Bishkek Tuesday.

The communique says that the governments of the DPRK and the Republic of Kyrgyzstan agreed to establish diplomatic relations at ambassadorial level and exchange diplomatic missions in order to develop friendly and cooperative relations between the two countries in all fields on the basis of the principles of independence, equality, reciprocity and non-interference in other's internal affairs.

It was signed by Vice-minister of Foreign Affairs Yi In-kyu on the Korean side and Foreign Minister M. S. Imaniliyev on the opposite side upon authorization of their governments.

### Joint Trade, Economic Accord With Belarus

*SK2401052992 Pyongyang KCNA in English 0425 GMT 24 Jan 92*

[Text] Pyongyang January 24 (KCNA)—An agreement on establishing a joint trade and economic committee was signed in Pyongyang on January 23 between the governments of the Democratic People's Republic of Korea and the Republic of Belarus.

It was signed by Kim Chong-u, vice-minister of external economic affairs, and Nikolai Alexandrovich Makaed, first vice-chairman of the Committee of External Economic Relations of Belarus.

### Kim Yong-nam Meets Cambodian Prime Minister

*SK2401055192 Pyongyang KCNA in English 0433 GMT 24 Jan 92*

[Text] Pyongyang January 24 (KCNA)—We are rejoiced over the precious fruits recently borne by your country's efforts for national reunification, the adoption of the North-South agreement, realization of DPRK-U.S. negotiation and entry into the United Nations, said Hun Sen, member of the Supreme National Council and prime minister of Cambodia, Tuesday when he met Vice-Premier and Foreign Minister Kim Yong-nam.

I sincerely congratulate Korea which is confidently advancing towards socialism chosen by herself under the wise leadership of the great leader His Excellency President Kim Il-song, he added.

### Cuban Foreign Trade Minister Arrives for Visit

*SK2401111992 Pyongyang KCNA in English 1050 GMT 24 Jan 92*

[Text] Pyongyang January 24 (KCNA)—A Cuban Government delegation led by Minister of Foreign Trade Ricardo Cabrisas Ruiz arrived here today.

The delegation was met at the airport by Vice-Premier and Minister of Foreign Trade Kim Tal-hyon, Vice-Minister of External Economic Affairs Kim Chong-u and Cuban Ambassador to Korea Juan Jose Leon Vega.

### Further on Visit by Daewoo Group President

#### Views Circus, Cultural Exhibits

*SK2401054992 Pyongyang KCNA in English 0438 GMT 24 Jan 92*

[Text] Pyongyang January 24 (KCNA)—President of the South Korean "Daewoo Business Group" Kim U-chung and his party inspected various places during their stay in the northern half of the country.

At the Korean folklore museum, they saw with keen interests exhibits showing the time-honored history and cultural traditions of our nation.

They also appreciated a circus performance at the Pyongyang Circus Theatre.

President Kim U-chung arranged a party Monday evening.

The party went round industrial establishments in Pyongyang and local areas while staying in the North.

#### Meets Yon Hyong-muk

*SK2401113792 Pyongyang KCNA in English 1051 GMT 24 Jan 92*

[Text] Pyongyang January 24 (KCNA)—Premier of the Administration Council Yon Hyong-muk met and conversed with President of the South Korean "Daewoo Business Group" Kim U-chung and his party in an atmosphere overflowing with compatriotic feelings at the Mansudae Assembly Hall today.

Vice-Minister of External Economic Affairs Kim Chong-u was present there.

## Continuity of Revolutionary Cause Stressed

*SK2301023992 Pyongyang Korean Central Broadcasting Network in Korean 0200 GMT 21 Jan 92*

[Unattributed Talk: "Carrying out the Revolutionary Cause of the Working Class and Inheriting and Developing the Revolutionary Tradition Which Have Been Uniquely Elucidated by Our Party"]

[Text] Inheriting and developing the revolutionary tradition in accomplishing the working class's revolutionary cause is the principled question related to the destiny of the revolution. The working class's revolutionary cause develops and advances victoriously on the foundation of the revolutionary tradition created by the leader [suryong]. Therefore, to ensure the comprehensive understanding of the accomplishment of the working class's revolutionary cause and the inevitability of its consummation it is imperative to scientifically elucidate the mutual relationship of the accomplishment of the revolutionary cause and the inheritance and development of the revolutionary tradition.

The great leader Comrade Kim Il-song has developed and systematized the unique theory on inheriting and developing the revolutionary tradition in the revolutionary struggle of the working class based on his having scientifically defined the intrinsic nature and content of the working class's revolutionary tradition for the first time in history. In this way, the great leader has clarified anew the rule of the revolutionary movement that the working class's revolutionary cause can be victoriously developed and consummated only through the course of inheriting and developing the revolutionary tradition.

The dear leader Comrade Kim Chong-il has brilliantly embodied the great leader Comrade Kim Il-song's revolutionary ideology on inheriting and developing the revolutionary tradition in the working class's revolutionary struggle and, thus, has developed and enriched the theory on inheriting and developing the revolutionary tradition in inheriting and consummating the revolutionary cause.

The working class's revolutionary tradition is the leader's revoltuionary tradition which is created, developed, and enriched by the leader in the historic course of pioneering the road of the revolution for the first time and developing it victoriously.

The dear leader Comrade Kim Chong-il has indicated: The revolutionary tradition of the working class's party is formed only in the course of the revolutionary struggle pioneered and led by the leader [suryong], and only such a tradition can become the revolutionary tradition that the working class's party should inherit and develop.

That the working class's revolutionary tradition is precisely the leader's revolutionary tradition means, in a word, the revolutionary tradition which is linked only to the leader's revolutionary activity. The working class's revolutionary tradition is formed, developed, and enriched only through the course of the leader's revolutionary activity of pioneering and leading to victory the working class's revolutionary cause, that is, the revolutionary cause of communism.

The leader of the working class creates the guiding ideology of the revolution based on his scientific insight of the demands of the times and the inevitablity of the developing revolution and pioneers and leads to victory the working class's revolutionary cause under the banner of this guiding ideology. In this historic course he develops and enriches the revolutionary ideology and theory through the practice of numerous revolutionary struggles and, thus, produces noble revolutionary achievements and experiences. Comprised in the leader's ideology, theory, and revolutionary achievements and experiences which are created in the course of carrying out the working class's revolutionary cause are the noble revolutionary assets which are of primary significance for the final victory of this revolutionary cause.

The primary contents of the working class's revolutionary tradition include after all the revolutionary ideology and theory, revolutionary acheivements and struggle experiences, work method, and work style which are created, developed, and enriched by the leader of the working class who pioneers and leads to victory the road of the revolution. The working class's revolutionary tradition is an ideological and theoretical asset and the revolutionary achievements created, developed, and enriched by the leader in the course of the working class's revolutionary struggle pioneered and developed by the leader. Therefore, the working class's revolutionary tradition is precisely the leader's revolutionary tradition.

The working class's revolutionary cause can be inherited and consummated only through the course of inheriting and developing the leader's revolutionary tradition. The working class's revolutionary struggle for socialism, communism, is a protracted struggling course to sweep out all sorts of old and reactionary things which have been handed down for centuries, to create new things, that is, something communist, and to build and consummate a Utopia of mankind in which the popular masses' independence is completely realized. This historic struggling course is the successive [sunchajok] and consecutive [yonsokjok] process of carrying out certain social transformation tasks which reflect the independent demands of the working masses of people. Accordingly, the course of carrying out the working class's revolutionary cause develops in a successive way [gyesungjok], with a historically systematic and consistent nature.

The leader's revolutionary ideology and theory which have summed up the goal and direction of struggle and the basic principle and method of struggle—which should be firmly adhered to from the formative period of the revolution to the period of its final victory; the firm organizational mainstay and political forces provided by the leader; the revolutionary achievements registered by the leader; and his struggle experiences are the decisive conditions which guarantee the systematic nature, consistency, and continuity of the working class's revolutionary cause.

Only when we have such conditions can the working class's revolutionary cause not only defend its revolutionary character, but also advance in a goal-oriented way through the struggle to realize the leader's revolutionary ideology. The course of inheriting and consummating the working class's revolutionary cause is precisely the course of inheriting and developing the revolutionary tradition achieved by the leader. It is related to the role of the revolutionary tradition in inheriting and consummating the working class's revolutionary cause.

The working class's revolutionary tradition is first of all the historic root of the revolution and becomes the bloodline which carries on its generations. In order for the working class's revolutionary cause to develop generation after generation as the leader's revolutionary cause, it is imperative to establish strategies and tactics based on the leader's revolutionary ideology created during the formative period of the revolution, to expand and strengthen the revolutionary forces by inheriting the organizational mainstay built during the formative period of the revolution, and to see to it that the communist revolutionary spirit displayed during that period prevails in the whole society.

In the historic course of the struggle to inherit and consummate the revolutionary cause, the working class's revolutionary tradition becomes the historic root and source of the revolution which provides nutrition for the work of establishing revolutionary lines and policies, building the chuche-oriented revolutionary forces, and building the masses' ideological and mental strength which can be thoroughly carried out on the political, ideological, mental, and organizational foundations provided by the leader during the formative period of the revolution. The working class's revolutionary tradition is the bloodline which is inherited by the generations of the revolution. In order for the working class's revolutionary cause to defend and develop its character as the leader's cause generation after generation it is imperative to see to it that the leader's revolutionary ideology created during the formative period of the revolution is consistently embodied at every phase of the developing revolution and that the whole course of carrying out the revolutionary cause proceeds with the leader's revolutionary ideology as the only guiding principle.

The working class's revolutionary tradition is precisely the bloodline which links the past, present, and future of the revolution into one trunk with the revolutionary ideology founded by the leader during the formative period of the revolution. It is also the bloodline which sees to it that the whole course of the revolution is characterized by one, single blood all the way. Thus, the working class's revolutionary tradition is the historic root of the revolution and is the bloodline which is inherited by its generations. Therefore, the working class's revolutionary cause can resolutely defend, inherit, and consummate its revolutionary character as the leader's revolutionary cause only through the course of inheriting and developing the revolutionary tradition.

The working class's revolutionary tradition is the precious asset of the revolution and the cornerstone for the ages in consummating the revolutionary cause. In order for the working class's revolutionary cause to be developed generation after generation as the leader's cause, it is imperative to reform all fields of social life in a revolutionary manner in conformity with the leader's ideology and intent. To do it, it is imperative to have a model which becomes the guideline for this. Only by having such a model can the working class's revolutionary cause advance along a straight road without inclination even if it meets the conditions of protractedness and arduousness and the historic continuity of the revolution be correctly guaranteed.

The working class's revolutionary tradition includes not only the revolutionary achievements and experiences for social and human reforms and remaking nature registered by the leader in the historic course of pioneering the road of the revolution and leading it to victory, but also the experiences attained in building the party, the government, and the revolutionary armed forces. These great revolutionary achievements and struggle experiences constitute a vigorous and genuine model of the struggle for inheriting and consummating the leader's cause by reforming all fields of social life according to the leader's ideology and intent.

The working class's revolutionary tradition is the cornerstone for the ages to inherit and consummate the revolutionary cause. For the working class's revolutionary cause to develop generation after generation as the leader's cause, there should be an ideological, mental, and organizational foundation which can invariably advance the revolution under any difficult and arduous circumstances, and this foundation should be constantly strengthened while its intrinsic character should be preserved with purity intact.

The working class's revolutionary tradition includes the revolutionary ideology and theory, revolutionary achievements and experiences, and revolutionary work method which was created and which have been developed and enriched by the leader in the course of pioneering the road of the revolution and developing it. Such a revolutionary tradition never becomes old and has eternal vitality. It is the cornerstone for the ages which makes it possible to defend and develop the revolution under any adversity.

Thus, the working class's revolutionary tradition is the precious asset of the revolution and the cornerstone for the ages of the revolution. Therefore, the working class's revolutionary cause can become unwavering and be victorious forever as the leader's cause only when it inherits and develops the revolutionary tradition. After all, inheriting and developing the working class's revolutionary tradition means, in essence, to inherit and consummate the working class's revolutionary cause, and the working class's revolutionary cause can be inherited and consummated only through the course of inheriting and developing the revolutionary tradition achieved by the leader generation after generation. Herein lies the major inevitability of inheriting and consummating the working class's revolutionary cause.

With the dear leader Comrade Kim Chong-il's development and enrichment of the theory on inheriting and developing the revolutionary tradition in the accomplishment of the working class's revolutionary cause, the ideological and theoretical weapon which makes it possible to inherit and consummate the working class's revolutionary cause with its purity intact has been provided.

## Daily Stresses Role of Party Organizations

*SK2401073892 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 18 Jan 92*

[NODONG SINMUN 18 January editorial: "Let Us Further Enhance the Role of Party Organizations in Fulfilling This Year's Tasks."]

[Text] Party members and the working people over the country are now overflowing with their lofty revolutionary zeal to uphold the respected and beloved Comrade Kim Il-song's New Year address, thus consistently and unanimously participating in the work of carrying it out.

By effecting a new upsurge in all fronts of socialists construction, party organizations should intensify their militant capacity to glorify this year as the most significant year in the history of our fatherland and to vigorously push ahead with this year's combat.

The great leader Comrade Kim Il-song has indicated: We should enhance the party's leading role in all sectors of social life. We should also intensify by every means the political and ideological unity of the party and the popular masses, thus implementing the revolutionary mass line. We should ensure that all the working people can completely display their revolutionary zeal and creative positiveness.

Today, the enhancement of party organizations' militant role is very important in accelerating revolution and construction.

As elucidated by the respected and beloved Comrade Kim Il-song in his New Year address, at present, our general direction in socialist construction is to more firmly build the chuche idea in all political, economic, and cultural sectors to positively deal with the rapidly changing situations, thus vigorously carrying out three revolutions—ideological, technological, and cultural.

Only when the party organizations display their high sense of revolution and their militant capacity can they more firmly consolidate the single-hearted mind of our revolutionary ranks who have firmly united around the party and the leader. In this way, they can thoroughly apply the chuche idea to all sectors in revolution and construction.

Our party has intensified the struggle to embody the chuche idea in socialist construction. Whenever intense struggles are staged, this has solved all the problems by enhancing the militant capacity of party organizations.

All victories and successes made in the past in the struggle for the chuchefication of the whole society and for the fulfillment of the broad tasks of socialist construction cannot be thought of as apart from party organizations' militant function and role.

Experience shows that only when party organizations enhance their function and role can they more vigorously display the greatness of the chuche idea. It also shows that they can consolidate our chuche-oriented revolution by every means.

This year our party organizations are faced with more militant tasks than ever before. This year is the most significant year in the history of our party and our fatherland. Thereby, to effect a new upsurge on all fronts of socialists construction, our party organizations are assigned their missions of turning this glorious year into the most brilliant victorious year.

Nothing will be impossible in carrying out this year's tasks when party organizations have demonstrated their great militant capacity. Party organizations are the political staff who are responsibly organizing and leading all work in relevant units.

Only when party organizations in all sectors and units positively and vigorously carry out their assigned tasks can they make the whole society overflow with creative and innovative spirits.

This year we are faced with broad tasks. The tasks are to increase power and coal production, to develop railway transportation, and to enhance the people's standard of living by concentrating on the development of light industry and agriculture. In addition, the successfully fulfilling these tasks depends completely on the role of party organizations.

Thanks to our party's positive struggle and wise leadership, party organizations' militant capacity at each level are stronger today than ever before. Now, all party organizations have developed a revolutionary work system and cherished the firm ethos to go through fire and water to thoroughly implement the party's decision.

Through a struggle to implement the dear leader Comrade Kim Chong-il's historic work "*Let Us Strengthen the Party Cell*," in particular, new achievements are being made in the work of enhancing the fundamental party organizations' militant capacity.

Party organizations at every level should foster party members and the working people to be true loyalists and divine and dutiful children. In addition, they should vigorously push ahead with this year's grand forward march movement by constantly maintaining achievements attained through the struggle to organize the cell of loyalty.

To vigorously command this year's struggle, above all, party organizations at each level should positively carry out political work. Their basic missions are to carry out political work.

Today, in upholding the respected and beloved leader Comrade Kim Il-song's New Year address, the revolutionary zeal of party members and the working people, who are unanimously undertaking the work of carrying out this year's tasks, is extraordinary high.

In conformity with the popular masses' elevated spirits, party organizations at each level should positively carry out political work. For the present, they should ensure that party members and the working people can devote themselves to study the great leader Comrade Kim Il-song's New Year address. In addition, they should positively carry out various propaganda and agitation works, including the explanation and dialogue work. As a result, party members and the working people can have a thorough knowledge of ideologies, theories on the militant tasks set forth in his New Year address.

Along with this, in upholding the respected and beloved leader Comrade Kim Il-song's New Year address, party organizations should focus on the propaganda and agitation work to stimulate party members and the working people to achieve a great productive result in the first month and in the first quarter of the year. Thus, they should ensure that the whole society overflows with an amplified revolutionary atmosphere like in the Great Chollima Upsurge period.

This year is very significant in the history of our party and our fatherland. From the beginning of this year's forward march, party organizations, with their factual materials, should truly and practically carry out the propaganda work to inculcate party members and working people with the greatness of the party and the leader in various forms and ways.

Thus, they should ensure that all party members and the working people, in holding the great party and the leader in high esteem, can cherish deep in their hearts the national dignity and pride of carrying out the revolution and of living in their most superior chuche-oriented socialist fatherland.

The specific employment of operations and the efficient execution of command is a precondition for attaining a great achievement in this year's combat. Therefore, party organizations should be specifically aware of the party's intentions under the current conditions and possibilities, and the popular masses' amplified revolutionary zeal. As a result, they should properly help party members and the working people develop this year's target innovatively and broadly, ranging from the overall objectives of their sectors and units to the tasks of the work shops, sub-work teams, individual party member and the working people.

Along with this, party organizations should perfectly create the work of assignment and supply and carefully develop a plan to carry it out so that their cherished aim can be realized without fail.

Under conditions in which the national economic size is expanded and in which the production links among its sectors is complicated, we are now carrying out production and construction. We can neither successfully carry out our missions nor realize our goals if we have no efficient command of combat, however correct the former may be and however innovative the latter may be.

Party organizations should go down to the production sites and fully and authoritatively fulfill their assigned revolutionary tasks, thus timely solving all problems in the fulfillment of the overall work.

In addition, they should vigourously and endlessly carry out the work. According to the rapidly changing situation at the sites of production, they should positively organize and command their militant capacity. They should also ensure that the daily target for production and construction can be achieved without fail.

Party organizations' positive and proper support for leading economic functionaries is very important in vigorously accelerating this year's combat.

Economic leading funtionaries are responsible persons and masters who are directly organizing and giving guidance on the work of implementing the party's economic policies.

By successfully carrying out the broad tasks for economic construction, we should consolidate the foundation of the self- reliant economy; significantly enhance the people's standard of living; and vigorously display the superiority of our own style of socialism. These are the targets for this year's combat. Thereby, they demand that leading economic functionaries more responsibly organize and carry out the economic and organizational work than ever before.

Party organizations should properly help economic leading functionaries carry out the work to meet the party's demands. In addition, according to the Chongsanri spirit, Chongsanri method, and Taean work system, leading economic functionaries should go down to the popular masses and completely perform their honorable missions and roles to successfully carry out this year's targets as faithful loyalists of the people.

Along with this, party organizations should properly and positively carry out the work of supporting economic leading functionaries so that they can devote themselves to fulfilling their economic tasks and to carrying out their assinged works bravely and vigorously.

It is very important that party organizations should more positively carry out the mass movement in order to vigorously command this year's combat and to attain a great success in implementing the party's policies.

The mass movement is a powerful means for vigorously accelerating socialist construction based on the broad popular masses' creations. Only when we vigorously carry out the mass movement can the entire party, the entire nation, and all of the people perform their heroic feats everywhere, even this year.

Party organizations at each level should more vigorously develop the three revolutions into the popular-oriented movement in conformity with the party's overall direction of socialist construction at present. They should also more throughly embody the chuche idea to win victories and to attain achievements in all fields.

Party orgnizations should consolidate, at the highest level, the various mass movements, including the movement of following the example of unheralded heros. They should also ensure that creative and innovative spirits can be created everywhere.

Party organizations should vigorously carry out the Chong Chun-sil movement to lead all functionaries to become loyalists of the people who are loyal to the party and the leader with their self-reliant revolutionary spirit.

In particular, they should pay deep attention to the organizational and political work so that party members' and the working people's might for the mass movement can be concentrated on the fulfillment of this year's vast tasks for production and construction.

This year we are faced with the glorious and rewarding tasks. Therefore, party organizations at each level should intensify their militant capacity by all means and make the whole country overflow with amplified political spirits. In addition, by vigorously stimulating the broad popular masses, they should effect a revolutionary upsurge in socialist construction. As a result, they should ensure that the significant year 1992 can be the great year of victory.

## KCNA Reviews Pyongyang Press for 24 Jan

*SK2401053592 Pyongyang KCNA in English 0502 GMT 24 Jan 92*

[Press review]

[Text] Pyongyang January 24 (KCNA)—Papers here today carry a report that the newly appointed ambassador of the Cooperative Republic of Guyana to Korea presented his credentials to President Kim Il-song of the Democratic People's Republic of Korea.

Preparatory committees were formed in many countries, which are accelerating preparations in full scale to grandly celebrate the birthday of President Kim Il-song, according to the press.

Congratulatory messages and letters have come to President Kim Il-song from various countries on the new year, says the press.

NODONG SINMUN gives an account of a meeting held in Tokyo to express thanks for the educational aid fund and stipends sent to Koreans in Japan in the 119th instalment by the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

Plants came from France and Mali as gifts to Comrade Kim Chong-il on the threshold of the February holiday, says the press.

NODONG SINMUN informs the readers that a lecture on the greatness of Comrade Kim Chong-il was given in India and the chairman of All India Students Federation congratulated him upon his election as supreme commander of the Korean People's Army.

Given in the press is an account of a symposium of the pressmen held in Pyongyang on the occasion of the 50th birthday of Comrade Kim Chong-il.

NODONG SINMUN rounds up words of foreigners who visited the old home in Mt. Paekdu secret camp where Comrade Kim Chong-il was born.

Papers inform the readers that diplomatic relations were established between the DPRK and Kyrgyzstan and the DPRK-U.S. high-level talks took place in New York.

Appearing in the press is a notice on the holding of an enlarged meeting of the Executive Committee of the International Liaison Committee for Reunification and Peace in Korea which was made public in Paris.

Carried in the press are answers of an information official of the DPRK Foreign Ministry to questions put by a KCNA reporter regarding the visit to the DPRK by a special envoy of the Russian president who is ambassador in charge of special missions of the Foreign Ministry.

The prime minister of the state of Cambodia met with the DPRK foreign minister and the national general secretary of the "Cambio 90" movement of Peru met the Korean ambassador to his country and the Korean ambassador presented his credentials to the president of Niger, says the press.

Papers report that an agreement on the establishment of a joint trade and economic committee was signed here between the governments of the DPRK and the Republic of Belarus.

The U.S. imperialists and the South Korean puppets continue to stage war exercises and aerial espionage against the North and the South Korean fascist clique let loose more than 15,000 combat police and warplanes and warships to crack down upon the struggle of workers of the Hyundai Motor company, says the press.

Given in the press is an account of a meeting of Pyongyangites held to welcome Son Su-kuk and his family who had come over to the northern half of Korea.

A contact of delegates of the two sides to discuss the question of formation and operation of subcommittees of the inter-Korean high-level talks took place in the South side's portion of Panmunjom on January 23, says the press.

Commenting on the fact that "national assemblymen" and "chairmen of district party committees" of the "Democratic Liberal Party" [DLP] broke with the party in group on the threshold of the "National Assembly election" slated for spring this year in South Korea, NODONG SINMUN says that this is a sign of the ruin of the "DLP".

NODONG SINMUN runs an article denouncing the U.S. imperialists and the South Korean puppets for persistently resorting to war schemings in South Korea nowadays against peace and reunification.

The paper in a commentary condemns the U.S. scheme to set up "Radio Free Asia" after dismantling "Radio Free Europe".

International news of the press includes reports that the 68th anniversary of the death of Lenin was commemorated in Russia, China and the U.S. agreed upon signing a memorandum of understanding on the intellectual property and the Foreign Ministry of Panama lodged a protest against the U.S. intrusion into its air space.

A NODONG SINMUN article charges that the U.S. has not yet given up the position of strength and strong-arm attitude toward the DPRK.

Triangular talks on the Caribbean crisis was held in Cuba, at which the Cuban delegate expressed the willingness to have dialogue with the United States on an equal footing.

## South Korea

### DPRK Workers Party Director Views U.S. Talks

*SK2401083892 Seoul CHUNGANG ILBO in Korean 24 Jan 92 p 3*

["Exclusive interview" with Kim Yong-sun, director of DPRK Workers Party of Korea International Affairs Department, by Song Chong-suk, senior editor, in New York's Waldorf-Astoria Hotel on 23 January—first two paragraphs are introductory]

[Text] Kim Yong-sun, director of international affairs of North Korea's Workers Party, visited Japan last year at the invitation of Kanemaru, former Japanese deputy prime minister, and discussed the issue of establishing diplomatic relations between North Korea and Japan. Thus, he proved himself to be a real key figure in North Korean diplomacy. Tall, with a large physique, liberal gestures, and vigorous laughter, he answered this reporter's questions without interruption during the interview.

In neat attire with black suit and blue necktie, Director Kim met this reporter in a luxurious room on the 40th floor of the Waldorf-Astoria Hotel in downtown New York on the morning of 23 January. Present at the interview were only two officials from the North Korean mission to the United Nations, including Kim Chungnam. Director Kim said, "I was deeply moved to see fellow countrymen for the first time on the land of a foreign country," and met with this reporter for about 30 minutes. Then, hearing words from an attendant that time was up, he said, "I am sorry for having to suspend our dialogue," and wrote words of greetings and his signature in the reporter's notebook.

[Song] Since the details of your talks with Arnold Kanter, U.S. under secretary of state, were not open to the public, we are anxious to know them. What issues did you chiefly discuss at the talks?

[Kim] The two sides exchanged a broad range of views and opinions. The talks were very constructive.

[Song] Are you satisfied with the results of the talks?

[Kim] Yes, I am satisfied.

[Song] We think basic trust in the nuclear issue is the key to North-South talks and to establishing diplomatic relations between the United States and North Korea. What is the North side's basic position on the nuclear question?

[Kim] At a time when the two sides have reached an agreement on a fair nuclear inspection on the Korean peninsula, what else should be required? We will sign the nuclear safeguards accord with the International Atomic Energy Agency.

[Song] What are the prospects for establishing diplomatic relations with the United States?

[Kim] Since we agreed on nuclear inspection, I think there is no stumbling block. We always have an optimistic view on the future. I believe that diplomatic relations between the two countries will be established sooner or later [chomangan].

[Song] Is there any possibility for North-South summit talks to occur this spring?

[Kim] Our position is that we always welcome the visit of fellow countrymen. At a time when the people's aspiration for reunification is heightened, however, a meeting merely for the purpose of drinking a cup of coffee will not correspond to such an aspiration. Therefore, I think that such a meeting is not desirable.

[Song] What do you think will mainly be discussed at the summit meeting?

[Kim] Our people endured slavery under the Japanese rule for 36 years after a long period of suffering from feudalistic tyranny. They have also lived through the history of division caused by outside forces. In order to make the people live together in a new age, it is imperative to hold a summit meeting with good proposals capable of leading to reunification.

[Song] With whom will President No Tae-u hold his summit talk? Will President No's opposite be President Kim Il-song or Secretary Kim Chong-il?

[Kim] Not only has President Kim fought for the nation in his whole lifetime of 80 years, but also he is governing the people in the spirit of youthfulness. It should be the presidents that attend the summit meeting. Do you not think so? I think that you already have your answer.

[Song] "Let us realize reunification during our generation" is what you said in your arrival statement in New York. Given that one generation is usually considered to be about 30 years, do you not think this is too long?

[Kim] I am optimistic that reunification built on a confederation, in which the systems of the two sides are recognized, will be realized before the 1990's are out.

[Song] Do you not think reunification based on a confederal system is only a step on the way to reunification? Ultimately, in what form do you think reunification will be realized?

[Kim] I think that the final decision should be left to the people.

[Song] In my personal view, humanitarian and material exchange is the first step toward promoting mutual understanding for reunification. What plan do you have for such things as the reunion of the separated families and economic and cultural exchange?

[Kim] To meet with each other is one such good activity. When I arrived here, my first visit to the United States. I felt something warm filling my heart when I saw the Korean compatriots.

Now that the North and South have exchanged the documents on the North-South agreement, I believe that exchange and family reunions will progress smoothly.

## NSP Arrests Poet Suspected of Espionage

*SK2401013092 Seoul THE KOREA HERALD in English 24 Jan 92 p 3*

[Text] The Agency for National Security Planning (NSP) has arrested poet Pak Yong-hui, 29, on espionage charges.

Pak is suspected to have conducted espionage activities against South Korea since he made an unauthorized visit to Pyongyang in October 1991, NSP said yesterday.

The poet is also believed to have joined the North Korea's ruling "Nodong-dang" (Workers' Party) during his clandestine trip to the North, NSP investigators said.

Pak is the first South Korean to be arrested on espionage charges by South Korean authorities in recent months.

NSP has confiscated as evidence Pak's cassette-tape recorder, electronic notebook, bank account and camera, and forged documents to conceal his illegal visit to Pyongyang.

The counterespionage agency is also questioning 12 others in connection with Pak case.

Among them is Ko Hyong-yol, 38, an editor of the quarterly literary journal "Changjak kwa Pipyong" (Creation and Criticism) on a charge of failing to report to the government Pak's illegal outing to the North.

## Reports Continue on Inter-Korean Cooperation

### Legal Integration Supported

*SK2401063092 Seoul YONHAP in English 0451 GMT 24 Jan 92*

[Text] Seoul, Jan. 24 (YONHAP)—South Korea will actively seek to match its business laws, regulations on intellectual property rights, patent laws and land laws with North Korea's to support inter-Korean exchange and cooperation, Legislation Minister Choe Sang-yop said Friday.

In a report to President No Tae-u on his Ministry's major policy goals for this year, Choe said a task force would be formed to work out solutions for legal problems that might arise from implementation of the Dec. 13 inter-Korean agreement on reconciliation, nonaggression and exchange and cooperation.

For instance, there might be problems in traveling between the two sides of the Korean peninsula or swapping publications.

The task force would consist of Legislation Ministry officials and cooperate closely with research institutes and scholars specializing in North Korean law, the minister said.

The Legislation Ministry would promote exchanges of legislative materials with North Korea to analyze the differences in laws and revision of domestic laws that might hinder smooth implementation of the inter-Korean agreement would be undertaken, Choe said.

Efforts would be made to correct provisions that are either unrealistic or contradict public sentiment, and the wording would be simplified so that any person with a secondary education could understand it, he said.

To help public understanding and protect people from disadvantage due to ignorance, the Ministry will open all legislation officials' rooms to counseling.

Counseling will be offered by phone, interview or mail and legislation officials will go on tour at lease twice a year to give the public legal advice.

The minister said his ministry would give a top priority to law bills related to economic issues, administrative renovation and restructuring of the agricultural and fisheries industry.

The ministry would strengthen support for the legislative activities of local administrations so they could write regulations that conform to the spirit of the law, he said.

### European Statement Shows Support

*SK2401061692 Seoul YONHAP in English 0458 GMT 24 Jan 92*

[Text] Seoul, Jan. 24 (YONHAP)—Scandinavian and other Northern European countries have adopted a statement supporting recent progress in inter-Korean relations such as the Agreement on Reconciliation, Non-aggression, Exchanges and Cooperation and the joint declaration for a non-nuclear Korean peninsula, the Foreign Ministry said Friday.

The statement was adopted by the Foreign Ministers of Denmark, Sweden, Norway, Finland and Iceland, meeting Monday and Tuesday in the Icelandic capital of Reykjavik.

They stressed that recent progress in inter-Korean relations was a step toward easing tension on the Korean peninsula and in the surrounding region and building a lasting peace.

They pointed out that putting the agreements and promises into practice was more important than the agreements themselves.

They also endorsed North Korea's announced decision that it would allow the International Atomic Energy Agency (IAEA) to inspect its nuclear facilities, according to the ministry.

### Administration Plans Fishing Zone

*SK2401094292 Seoul YONHAP in English 0848 GMT 24 Jan 92*

[Text] Seoul, Jan. 24 (YONHAP)—The Fisheries Administration has decided it will seek to set up a zone around the Military Demarcation Line where both Koreas can fish, administrator Yun Ok-yong said Friday.

Yun, reporting to President No Tae-u, said the Fisheries Administration would also seek ways for fishermen of both sides to operate in each other's waters when circumstances allow.

To promote cooperation with North Korea in the fisheries field, the administration will promote joint development of sardine resources in the East Sea.

Yun said he would increase imports of North Korean marine products from 9,000 tons last year to 20,000 tons this year.

In other plans, the Administration hopes to conclude fisheries agreements with Papua New Guinea and two other nations this year, bringing to 16 the number of such accords, Yun said.

### Government Considers Barter Deal

*SK2401020292 Seoul THE KOREA TIMES in English 24 Jan 92 p 3*

[Text] Consultations are under way here on a barter deal to supply North Korea with medicine, Health-Social Affairs Ministry officials said yesterday.

North Korea is said to have a serious shortages of medicines, the officials said. The inter-Korean transactions would barter South Korean medicines such as antibiotics for North Korean herbal remedies, they said.

Talks are going on with the National Unification Board, Trade-Industry Ministry and other related government agencies for direct trade within the year, according to the officials.

In July last year, South Korean rice was shipped to North Korea in exchange for cement and coal.

### New Currency for Trade Considered

*SK2401014692 Seoul THE KOREA HERALD in English 24 Jan 92 p 6*

[Text] The government is seriously considering creation of a currency for inter-Korean trade amid growing expectations for direct transactions of goods and materials between South and North Korea.

Government sources said yesterday that direct inter-Korean dealing was likely to become substantial in the second half of the year, after the agreements between the two Koreas take full effect.

There are three options for settlement of inter-Korean trade: using the U.S. dollar, the Swiss franc or some other foreign currency, using both the South Korean won and North Korean won, or creating a new currency exclusively for use between the two Koreas.

A third currency is the most likely of all the options. In the case of the Germanys, a currency unit called the "V.E." (verrechnungs-einheit or calculation unit) was used before their unification, said a senior official, who declined to be identified.

"Direct deals will expand greatly between South and North Korea, and an effective way of settlement should be worked out to back up the trend. Since such deals are regarded as internal, South and North Korea should create a new currency unit that they can use between themselves," the official said.

"The government should discuss this issue with North Korea. If North Korea agrees to create a new currency, the two sides should study how to make the new currency compatible with the different won used in South and North Korea."

He said the two Koreas had better avoid using "won" in the name of the new unit.

"The unit will be more a means of settling payment accounts than a currency. The exchange rate should be set at a proper level based on the real purchasing power of the two Koreas' currencies," the official said.

If the inter-Korean deals are settled with the dollar, Swiss franc or another foreign currency, South Korea may see a massive outflow of its hard currency to North Korea in the initial stage of direct transactions, because imports from North Korea would far exceed exports, the sources said.

Use of the South and North Korean won for payment might entail considerable problems as the value of the two currencies cannot be determined, they said.

The exchange rate for the South Korean won is currently 760 to the U.S. dollar. The official rate for the North Korean won is 2.13 won to the dollar, but on the black market in North Korea the rate is between 60 and 70 won.

In a related development, the government is planning to set aside 10 billion won to finance projects to expand or pave roads linking South and North Korea, sources said.

Sources at the Ministry of Construction said they are seeking to secure financial resources needed for the projects, which are expected to be launched as trade between the two Koreas grows.

They said 1 billion won would be earmarked for expanding the road connecting the Freedom Bridge with the truce village of Panmunjom, 500 million won for the road between Shintan-ni and Woljong-ni, Chorwon-gun, Kangwon-do, and 500 million won for the road between Myongho-ri and Songhyonjin-ni Kosong-gun, Kangwon-do.

The ministry will put aside 3 billion won for full-scale undertaking of the projects and an additional 5 billion won in reserve.

Sources said the ministry is to complete the design for expansion of the three roads by mid-1992, and construction will start as soon as South and North Korea reach an agreement.

## Daewoo Group Strikes $80 Million Deal With North

*SK2401020192 Seoul YONHAP in English 0144 GMT 24 Jan 92*

[Text] Seoul, Jan. 24 (YONHAP)—The founder of a South Korean conglomerate has struck a deal worth 80 million U.S. dollars with communist North Korea to build a garment plant and a hotel in the North.

A spokesman for the Daewoo group said Friday Daewoo would provide 30 million U.S. dollars in capital and technology for the garment factory and 50 million dollars for the hotel, and that North Korea would supply the labor and land.

Daewoo chairman Kim U-chung arrived in Pyongyang on Jan. 15 at the invitation of Vice Prime Minister Kim Tal-hyon, who is also chairman of the North's external trade commission. He is expected to cut short his visit by five days and return to Seoul on Sunday.

North Korea has designated Haeju, a port on the West Coast and the nearest port to South Korea, as a special economic zone for South Korean businesses, the Daewoo official said. The factories will be in the special zone and the garments produced will be marked "made in Korea."

"The Haeju economic zone is to house footwear, clothing and other light industry manufacturing plants," he said. "North Korea is said to be planning a 1 billion-dollar investment in the special economic zone."

The hotel will be in Pyongyang, he said. Daewoo will provide the money, construction materials and technology, and North Korea the labor and land.

They may link up with an international hotel chain to manage it and are to consider building another hotel in the Kumkang or Myohyang Mountains, where North Korea is planning to develop tourism, the spokesman said.

## Unification Board Notes North's Goods Shortages

*SK2401041392 Seoul KBS-1 Television Network in Korean 1200 GMT 23 Jan 92*

[Text] North Korea is suffering from a serious shortage of goods to such an extent that the rice in the black market sells for 250 times the state-designated public price. This was revealed by the North Korean social and cultural index released by the National Unification Board today.

The difference between the state-designated price to the public and the black market price of North Korean foodstuffs are stated as follows: Rice per kilo is state-designated at 27 won, and the black market price is 6,700 won, which is 250 times the state-designated price. The state-designated price of pork is 2,345 won, while the black market price is 10,050 won. The state-designated price of beef is 2,513 won, while black market price is 13,400 won, which is over five times higher.

This phenomenon is applicable not only to foodstuffs but to other daily necessities as well. For instance, tooth-paste is 469 won state-designated and 2,680 won black marketed. A pair of socks is 503 won state-designated and 1,675 won black marketed, a difference of over three times. A pair of running shoes costs six times as much on the black market.

As for household electronic appliances, the gap between the state-designated price and the black market price is so large that a 16-inch color television set is state-designated at 500,000 won and black marketed at 6.7 million won, which equals the average wages of a North Korean worker over 11 years. A bicycle costing 130,000 state-designated is black marketed at a price more than ten times as high.

In North Korea there are 338 tuberculosis sanatoriums, 67 times the number in our country, illustrating the fact that many North Korean residents suffer from tuberculosis, a disease afflicting the people of under-developed countries, owing to malnutrition and overwork. There are 189 mental hospitals in North Korea, 21 times as many as in our country, which the analysts are certain are used for detaining dissident figures.

## Prosecution on Pak Po-hui's Visit to DPRK

*SK1701065492 Seoul YONHAP in English 0536 GMT 17 Jan 92*

[Text] Seoul, Jan. 17 (YONHAP)—The prosecution said Friday it has decided not to question Pak Po-hui, president of the SEGYE TIMES, who visited North Korea last month with Unification Church leader the Rev. Moon Sung-myung.

The prosecution said it made the decision after checking reports they had submitted to relevant government agencies before and after their visit to North Korea.

"The prosecution, judging by their reports, has determined that their visit did not violate the nation's laws," it said.

Returning to Seoul for the first time since their visit, Pak told airport reporters Thursday that he did not believe they had violated the country's national security law by visiting North Korea.

He said he planned to explain details of their visit at a press conference and other meetings later.

## Russia To Revise Amity Pact With DPRK

*SK2401131392 Seoul YONHAP in English 1304 GMT 24 Jan 92*

[Text] Seoul, Jan. 24 (YONHAP)—The Russian Federation has unofficially informed South Korea of its intention to revise its amity pact with North Korea in a way that suits changes in international circumstances, a government official said Friday.

Ambassador-at-large Igor Rogachev hinted at such intention when he met officials of the South Korean Embassy in Moscow before leaving for Pyongyang last week as a special envoy of Russian President Boris Yeltsin, he said.

"Russia has unofficially delivered its decision to update the treaty as soon as political stability is restored in the Commonwealth of Independent States," said the official, who declined to be named.

Russia assumed the treaty recently in accordance of its decision to inherit all external pacts and liabilities left by the former Soviet Union, he said.

He said economic woes, however, would make it difficult for the two countries to maintain bilateral military cooperation at traditional level even though Russia took over the amity treaty.

## Uzbekistan President Hopes for Improved Ties

*SK2201130592 Seoul YONHAP in English 1242 GMT 22 Jan 92*

[Text] Seoul, Jan. 22 (YONHAP)—Uzbekistan President Islam Karimov has thanked President No Tae-u for the Korean leader's sending of a message congratulating him on his victory in a presidential election.

Karimov said in a letter, which arrived here Wednesday, that he hoped to see Seoul-Tashkent ties improve further with his country's independence.

The Uzbekistan leader is expected to visit Seoul as early as in April, official sources said. The Korean Government sent a letter of invitation to Karimov in last November.

## Major Exporters Suspend Shipments to CIS

*SK2101061692 Seoul YONHAP in English 0223 GMT 21 Jan 92*

[Text] Seoul, Jan. 21 (YONHAP)—Exports to the Commonwealth of Independent States [CIS] are sluggish this year as major exporters such as Hyundai Corp. and Daewoo Corp. have suspended shipments.

Of the 16 Korean companies that exported to the Soviet Union last year, 12 had suspended exports of consumer goods as of Jan. 15, the Trade and Industry Ministry said Tuesday.

The four companies that continued are Samsung Co., Lucky-Goldstar International Corp., Hanil Synthetic Fiber Co. and HS Corp.

With suspension of shipments by the 12, exports to states in the Commonwealth in the first 15 days of January were 8 million U.S. dollars, less than 10 percent of the amount in the same period of December.

Korean companies exported 301 million dollars of commodities in the last two months of 1991, including 37.2 million dollars by Hyundai and 50.7 million dollars by Daewoo.

Samsung shipped 5.13 million dollars of goods in the 15 days, including 1 million dollars of motors and 600,000 dollars of stainless steel plate. Lucky-Goldstar exported

1 million dollars of polypropylene, Hanil sent 800,000 dollars of acrylic yarn and H.S. Corp. shipped 1 million dollars of shoes.

Arrival of export letters of credit [l/cs] has continued, amounting to 27 million dollars and 10 l/cs.

Ministry officials said Korean exporters were adjusting their export plans and carefully watching developments.

They said there were difficulties in making additional exports as Russia had yet to reply to a letter from the export-import bank requesting that it guarantee payment for the goods.

### Foreign Minister Plans Aid Package to CIS

*SK2301022992 Seoul YONHAP in English 0154 GMT 23 Jan 92*

[Text] Washington, Jan. 22 (OANA-YONHAP)—South Korea will give the Commonwealth of Independent States 1.03 billion U.S. dollars in economic aid this year as part of a 3 billion-dollar aid package pledged last year, Foreign Minister Yi Sang-ok said Wednesday.

Yi urged that immediate problems be quickly solved, citing delivery and distribution complications among the various independent states.

It was difficult to confirm who the receiver was and which republic was getting aid, he said in a speech to the two-day Washington conference on aid to the former Soviet Union that opened Wednesday.

Korea and the Soviet Union agreed in January last year on a 3 billion-dollar economic aid package over a three-year period.

A total of 470 million dollars in emergency relief was sent by the end of last year, Yi told the conference, and Korea reopened its 800 million-dollar tied loan in November. The loan was suspended after the coup attempt in Moscow last august.

Korea would send an additional 1.03 billion dollars in aid this year, 830 million dollars in tied-loans and 200 million dollars of plant, Yi said.

Last year's aid included 400 million dollars of medicines and medical equipment, and another 150 million dollars worth would soon be sent as part of Korean efforts to extend medical support, the foreign minister said.

### KOTRA Notes Growing Trade Gap With China

*SK2401032992 Seoul YONHAP in English 0231 GMT 24 Jan 92*

[Text] Seoul, Jan. 24 (YONHAP)—China's exports expanded 15.8 percent to 71.89 billion U.S. dollars on a customs-clearance basis in 1991 from a year earlier, edging out South Korea by 12 million dollars, the Korea Trade Promotion Corp. (KOTRA) said Friday.

China had imports of 63.79 billion dollars and its two-way trade was estimated at 135.7 billion dollars, compared with Korea's 153.4 billion dollars, a KOTRA official said.

Although China was behind Korea, its exports outgrew Korean exports by 5 percent and exports of industrial products were strong, indicating China's expansion was sound, he said.

Major industrial export items included garments, shoes, toys, canned foods, medicines, radios, cassette tape recorders, television sets, electric fans, cement and steel products.

To reform its trade system, China cut government subsidies to export firms and give them more rights so that they could improve their competitiveness and actively develop overseas markets, he said.

He said the competition with China in the light industry sector was almost over because of rising wages and a lack of innovation among Korean exporters.

The export gap would continue to widen if Korea failed to improve productivity and make better quality goods, he predicted.

### Report on Japan's Nuclear Arms Questioned

*SK2401023292 Seoul CHOSON ILBO in Korean 23 Jan 92 p 3*

[Editorial: "Japan and the Former Soviet Union Nuclear Experts"]

[Text] The news that Japan has offered invitations to the former Soviet Union's nuclear experts worries us very much. We have nearly reached an agreement on denuclearization. Should we now worry about Japan's possessing nuclear weapons? Of course, we do not want to conclude hastily that Japan's invitation to the old Soviet nuclear experts means that it possesses nuclear weapons.

Judging from Japan's old acts and its attitude, however, we are not surprised that the seven old Soviet nuclear experts went to Japan and have been doing research. Since the era of modernization, in particular, Japan has frequently done things that suddenly surprise the world in its relations with other countries.

For example, in the Russian-Japanese war in 1904 and in the U.S.-Japan war in 1941, Japan pretended to negotiate peace on the eve of the wars. Japan was patient and prudent until it had a complete national consensus and war preparations were completed. From this standpoint, Japan has been patient and prudent for 47 years since the war, with the singleminded intent to avenge its lost war, and it has built up matchlessly strong military forces.

Japan's possession of a military force corresponding to its national power is its own choice as an independent state. At the same time, it is international society's customary practice to build up its military forces to maintain a military balance equal to its neighboring countries.

For example, since the end of the First and the Second World Wars, Germany has maintained a balance with its neighboring countries and allowed inspection by its neighboring countries. After the First World War, Germany was forced to keep its military troops under 100,000. Since the Second World War, it has maintained a balance with and allowed inspection by its neighboring countries as a member of the North Atlantic Treaty Organization. Since the Second World War, it has boldly discarded its old wrong system of starting wars. It has also not hesitated to compensate completely and apologize to its neighboring countries for their damages. As for Japan, it has continued to reinforces it military force for no reason, using the Korean war as an excuse. Far from doing away with its old system that brought on the wars, it has instead maintained it. While repeatedly offering poor excuses, it has not thought of compensating and apologizing to its neighboring countries for their damages. The United States has allowed Japan to build up a military force as a way to prevent communism from expanding. Now that communism is collapsing, the United States has not stopped Japan from uncontrollably reinforcing its military. Taking this opportunity, Japan has openly invited the former Soviet Union's nuclear experts. Thus, we cannot help but be worried. Taking advantage of the collapse of the Soviet Union and the decline of the U.S. Navy, Japan is trying to develop a submarine to recover the honor of "the Japanese imperialist Navy." It behooves Japan to clear up this doubt in the world.

## Government To Open Centers for WWII Victims

*SK2401093492 Seoul YONHAP in English 0803 GMT 24 Jan 92*

[Text] Seoul, Jan. 24 (YONHAP)—The South Korean Government will open reporting centers Feb. 1 for victims and witnesses of the forced mobilization of Korean women as laborers and sex slaves for Japanese soldiers during World War II.

The government will complete the first phase of its investigation into "chungsindae" [comfort women corps] by the end of July, including the application of international law on war crimes compensation and the compilation of all domestic and foreign documents.

The dates were set in the first working-level coordination meeting on chungshindae.

The meeting Friday was headed by Kim Sok-u, director-general of the Foreign Ministry's Asian Affairs Bureau, and 18 government ministries were represented. They will meet every two weeks until March, and once in March and subsequent months to pool information.

Between 100,000 and 200,000 Korean women, some just 12 years old, are believed to have been mobilized as members of chungshindae. Some were sent to the front as laborers, but most were used as sex slaves for Japanese soldiers.

The Foreign Ministry will be in charge of gathering official documents from Japan, the United States and other countries.

The Education Ministry will look into wartime student registration records to get an idea of the number of victims.

The Home Ministry will handle the reporting centers and take steps to guarantee privacy and confidentiality of information.

"We are looking for substantive hard evidence that shows who was involved in operating chungshindae, and how the women were treated," one Foreign Ministry official said. "There are humanitarian and legal means to solve the problem. For now, we are concentrating on legal methods."

The Treaties Bureau at the Foreign Ministry has nearly completed a study of international law on war crime compensation.

## Memorandum on Economic Cooperation With Vietnam

*SK2301155092 Seoul YONHAP in English 1025 GMT 23 Jan 92*

[Text] Seoul, Jan. 23 (YONHAP)—South Korea and Vietnam have exchanged a memorandum of understanding (MOU) on resources development and economic cooperation, Energy and Resources Minister Chin Nyom said Thursday.

The memorandum covers bilateral cooperation in projects for developing natural resources in Vietnam, training of Vietnamese technicians in the fields of oil refinery, machinery and electronics and transfer of Korean knowhows on economic development, Chin said upon his return to Seoul.

The minister had just visited Vietnam for a week at Hanoi's official invitation for the first time as a South Korean cabinet minister since the end of Vietnamese war in 1975. Seoul and Hanoi lack formal relations.

The heavy industry minister of Vietnam, Chin said, is to visit South Korea late next month to discuss economic cooperation in detail.

A consortium of eight Korean firms, Chin said, was highly likely to outrival Japanese contenders and clinch rights to develop the Big Bear oil field in Vietnam.

He said that Hanoi was to select a foreign partner by late April for the oil development project.

## DLP Expected To Nominate Chon Tu-hwan Proteges

*SK2401015492 Seoul THE KOREA HERALD in English 24 Jan 92 p 2*

[By Staff reporter Kim Chong-chan]

[Text] In a conciliatory gesture toward former President Chon Tu-hwan, the ruling Democratic Liberal Party [DLP] may nominate some of Chon's proteges as candidates for the coming parliamentary elections, party sources said yesterday.

Chon's followers who may win DLP nomination to run in the March legislative elections include Kwon Ik-hyon, chairman of the now-defunct ruling Democratic Justice Party; Pak Hui-to and Ko Myong-sung, both retired Army generals; Kang Kyong-sik, former presidential chief of staff; and Ho Hwa-pyong, ex-senior presidential secretary for political affairs.

Kim Yong-sam, the DLP's executive chairman, separately met with Kwon, Pak and Ko, and asked them to run in the parliamentary elections on the party's ticket, Kim's aides said.

Kwon, a one-time political ally of President No Tae-u, has been assured of party nomination to vie in his hometown in South Kyongsang Province, sources said. In the Sanchong-Hamyang district, he was elected to parliament twice, once in 1981 and the other in 1985.

Kwon failed to gain nomination for the previous legislative elections, amid calls for the eradication of the "corrupt" power elites of the previous administration.

The sources said such action may help President No patch up his relations with Chon, his estranged old friend and predecessor and thus forge unity in the ruling quarters.

That is also seen as a move to keep more Fifth Republic figures from joining a political party led by Chong Chu-yong, founder of the giant Hyundai Business Group.

Several former lawmakers of the now-defunct ruling DJP [Democratic Justice Party], including Pong Tu-wan, had already bolted the DLP to join Chong's party.

Some other ex-lawmakers like Chong Nam and Kim Chong-nam are also expected to forge an alliance with Chong.

Pak Hui-to, who served as Army chief of staff between 1985 and 1988, may win nomination from the ruling party to run in Changnyong, South Kyongsang Province.

Ko Myong-sung, who headed the once powerful Military Security Command, is said to have rejected the party's proposal that he run in a district in North Cholla Province, the stronghold of opposition leader Kim Tae-chung. Ko is likely to be chosen as a DLP candidate for the national constituency. Slightly over 20 percent of the total parliamentary seats are apportioned to parties according to the number of lawmakers elected in popular direct voting.

Ko was among the 26 people who registered their nomination bid through secret channels to the party leadership. Also included in the list of secret contenders is Hwang In-sung, president of Asiana Airlines.

Kang Kyong-sik, who served as chief of staff to Chon, may compete in a district in Kangnam, southern Seoul.

Kang In-sop, a former senior journalist and a close associate of Kim Yong-sam who is aspiring to run in the same Kangnam District, may be transferred to the party's roster of candidates for the national constituency.

But the DLP will turn away Kwon Chong-tal, once a close confidant of Chon's and first secretary-general of the now-defunct DJP, since he is considered too corrupt, sources said.

Kim Yong-sam, No. 2 in the faction-ridden ruling party after President No, is said to oppose absorbing too many Chon supporters for fear that to do so may undermine his own power base in the party.

Relations between Kim and Chon are not amicable, according to political observers.

Some ruling party lawmakers have urged the party leadership to nominate Chong Ho-yong, who has stayed in the United States after being forced to drop out of a by-election in Taegu in 1990, as the party's candidate, according to reports.

"But the party leadership has not yet made a decision on that matter," one lawmaker said.

It has been reported that Chong, the incumbent and previous presidents' Korea Military (Army) Academy classmate, may return to Seoul before the coming parliamentary elections.

Chong had been criticized by the opposition for the brutal military suppression of the Kwangju uprising in May 1980.

## Kim Tong-kil Prepares To Register New Party

### Breaks Ties With Pak Chan-chong

*SK2401014392 Seoul THE KOREA TIMES in English 24 Jan 92 p 2*

[Text] Former professor Kim Tong-kil and Rep. Pak Chan-chong yesterday broke their consent to jointly form a political group and decided to establish separate parties.

Kim, leader of the Committee for the Pacific Age, will hold a rally at Seoul's DLI 63 Building today to promote his party.

He will soon start a formal negotiation with Chong Chu-yong, chairman of the preparatory committee for the Unification National Party, on the merger of their parties. Top deputies of Chong and Kim agreed to the merger in principle earlier this week.

Pak, a four-term lawmaker, meanwhile said in a press conference that he will register the formation of his party with the Central Election Management Committee next Monday.

Kim and Pak, who had been in emotional conflict over the hegemony of their group, tentatively named Saehan Party last week, are expected to enter into disagreement again over the name of their parties as both want to call their parties Saehan.

### Outlines 'Saehan' Party Goals

*SK2401062592 Seoul YONHAP in English 0425 GMT 24 Jan 92*

[Text] Seoul, Jan. 10 (YONHAP)—Kim Tong-kil, a former history professor of Seoul's Yonsei University, formed a preparatory committee to create a political party, tentatively named Saehan, on Friday and then the committee elected him as its chairman.

The precursor of the emerging party was the Pacific-Era Committee, a semi-political organization formed by Kim late last year.

Kim said in a statement that the political and economic future of Korea looked ever grimmer due to the rapid changes in the international situation, so people from all walks of life had gathered together to solve this national crisis through moral and responsible politics.

Former lawmaker Yu Che-yon was elected secretary-general of the Committee and Prof. Chang Tok-hwan of Kyonggi University was selected as spokesman.

In his acceptance speech, Kim railed against politicians. They were being sidelined by crises in economy, education and society and were incapable of solving the rivalry between Kyongsang and Cholla provinces, not to speak of reuniting Korea, he said.

"We stand up here to restore morals, realize freedom and equality, reform education and push for national reunification," Kim declared.

Among the 197 people at the ceremony were former assemblymen Kim Chae-yong, Kang Ki-pil, Yi Kyu-chong, and Hwang Ho-tong, former Culture and Information Minister O Chae-kyong, retired Air Force Gen. Chi Yong-kwon and some lawyers and professors.

The committee will recruit district chapter organizers Jan. 25-30, complete the formation of 48 district chapters, the minimum number to initiate a party, by early February, and launch the party formally in mid-February.

Amid rumors that Kim's Nascent Party is seeking to merge with Chong Chu-yong's Unification National Party, Kim said he would put up about 100 candidates in the general elections in late March.

### * Democratic Party Organizing Regional Offices

*922C0045A Seoul CHUGAN CHOSON in Korean No. 1176 10 Nov 91 pp 17-21*

[Article by reporter Kim Yun-su: "The Hustle of 698 Opposition Figures Eyeing Local Chapter Organizers' Posts Spurs a Heated Race for Nomination of DP Candidates"]

[Text] With the closing of applications for the responsible organizers of the 224 DP [Democratic Party] district chapters, the race for party nominations for the 14th general election is heating up among political aspirants in the opposition camp.

The DP leadership plans to set in motion the 10-man ad hoc organizational enhancement committee consisting of five members each from the faction of the defunct New Democratic Party [NDP] [formerly PPD, referred to hereafter as the Sinmin faction] and the faction of the pre-merger Democratic Party [referred to hereafter as the Minju faction] in early November to wind up the step-by-step selection of the responsible organizer of each district chapter by beginning with the 59 district chapters currently held by incumbent National Assembly members as well the uncontested areas. Before the committee moves into action, there will be a cooling period in order to bring outsiders into the party in line with the express cause of the opposition integration.

A factional rivalry is expected to heat up in Seoul and in its surrounding areas, however, in connection with the 6:4 ratio of stakes "agreed upon" between the NDP and the DP when they merged, and depending on its outcome, there may be an adverse aftereffect.

#### 55 Districts Uncontested, or 22.5 Percent

There were 698 applicants, or a competitive rate of 3:1, when the deadline was up. The DP leaders expressed satisfaction with this result on the surface saying that "this is because of high expectations of the integrated opposition party." It is the general opinion in political circles that this is an outcome of the saturation point reached in the number of party posts available as a result of the reorganization of the political structure into a two-party system, however.

Therefore, when Pak Chan-chon, former vice president of the old Democratic Party, and others complete their preparations for the inauguration of a new party, it is possible that those who are omitted from nomination by the DLP [Democratic Liberal Party] and the DP will flock into the new party, reviving the "three-way fight" in the political arena.

We will examine the likely winners in the DP nomination race on the basis of the applicants for the responsible organizers' posts in various district chapters.

There were no applicants in two uncontested districts, namely, Andong County in North Kyongsang Province and the Ulsan East District in South Kyongsang Province; and 52 districts, or 22.5 percent, are uncontested.

In the case of the uncontested districts in Seoul and South and North Cholla Provinces, persons regarded as the likeliest nominees and as Chairman Kim Tae-chung's close aides are lined up in these districts, compelling others to abandon any hope of challenging them. In addition, 23 districts, or nearly half of the total number of districts in the Yongnam area, including North and South Kyongsang Provinces and Pusan and Taegu, are uncontested because potential rivals believe that even if they run, there would be little chance of being elected to the National Assembly on the DP ticket.

In the nomination process, the DP leadership plans to eliminate from the nomination list those who were involved in various corruption cases, who have made a poor showing in parliamentary activities, or who have a questionable lifestyle, in order to create a new image for the integrated opposition party.

In this connection, Chairman Kim Tae-chung implicitly warns that there will be a large-scale replacement of incumbents.

Yi Pu-song, a Supreme Council member, has disclosed that Kim Tae-chung told officials of the old Democratic Party during the opposition merger process, that "one-third of the incumbent National Assembly members from the Honam area will be replaced in order to change the whole atmosphere."

Accordingly, the preponderant view among party officials is that replacements will take place in seven or eight districts including Tamyang and Chang-song out of the 23 district chapters in Kwangju and South Cholla Province and in three or four districts out of the 14 districts in North Cholla Province.

Inasmuch as appointing district party chapter responsible organizers only four months ahead of the general election practically means nominating party candidates for the election, the race to get appointed to this post is bound to overheat among the rival factions as well as the applicants themselves.

It is all the more so particularly in the Seoul area, where the opposition party is expected to make a somewhat stronger showing thanks to the opposition merger, and in the Honam area, where people feel that "we have got to back up Kim Tae-chung at least up to the next general election."

To begin with, in the case of Seoul, where the principle of 6:4 ratio of stakes between the Sinmin and the Minju factions will be "invariably" applied, the Sinmin faction's share is 25 district chapters, and when 14 district chapters which are held by incumbent National Assembly members are set aside, it leaves only 11 districts over which this faction will have latitude in selecting their responsible organizers. For this reason, Kim Tae-chung's Sinmin faction is repeatedly emphasizing the process of selection on a "merit" basis.

Cochairman Yi Ki-taek's Minju faction, on the other hand, has 17 district chapters in Seoul as its share of which—except for two districts where Assemblymen Yi Chol and Chang Sok-hwa hold an unrivaled position—it can choose the responsible organizers for the remaining 15 districts. This gives the impression that the Minju faction has a relatively greater latitude of maneuvering, but in reality, the crowded "entry into Seoul" by incumbent assemblymen from the Yongnam area is likely to be a burden for this faction.

Conscious of the fact that an absolute majority of incumbent opposition assemblymen in the Seoul area come from the Honam area, Kim Tae-chung at heart plans to nominate people from non-Honam areas so that he may completely eliminate his party's image as being the "Honam Party" or the "Kim Tae-chung Party" in the next general election, the outcome of which will play a decisive role in the next presidential election.

Now, we will examine those districts where rough sailing is expected in the selection of the responsible organizer for each district.

In the Kuro-B District, where a close match is anticipated, a total of 11 persons are waiting for the subdivision of the Kuro-B electoral district, including three incumbents from the national constituency at large—Ho Man-ki, Yi Kyong-chae, and Choe Pong-ku—in addition to Na I-kyun, former chairman of the old Democratic Party, and Sin Kye-ryun, a rising star who was former member of the party affairs committee of the old Democratic Party.

Assemblyman Ho Man-ki was so highly trusted by Kim Tae-chung that he became chairman of the party disciplinary committee as a freshman assemblyman. Banking on Kim Tae-chung's high trust, Ho has launched into cultivating grass roots support with an eye on the candidature from the Kuro-C District, which is certain to be created through a subdivision of the existing district. He is leaving the rest far behind on his strength as an assemblyman from the Yongnam area who, on the one hand, boasts of his record of parliamentary activities related to "practical economic matters," and, on the other, is known as a man of means.

Assemblyman Yi Kyong-chae launched organizational work quite some time ago with the opening of an office, in the hope of running from the Kuro-B District. If sailing becomes rough, however, he will switch to the Kuro-C District.

Assemblyman Choe Pong-ku also is touting his contribution to the party and Chairman Kim Tae-chung's trust in him. Rumors are rife in and out of the party that

Chairman Kim Tae-chung, in recognition of the political finesse that Choe displayed during Kim's tour of four countries, specifically told him to apply for the Kuro-B District chapter.

In the Mapo-B District, where the two rival factions are pitting against each other, a showdown seems unavoidable between Kim Hyon-kyu, who formerly served as the party's floor leader and has three National Assemblyman terms behind him, and former Assemblyman Kim Sung-chik, who moved into this district from his original constituency in Taegu on the strength of the contribution he made to the opposition merger by joining the pro-merger group of the Democratic Party as a heavyweight of the nonmainstream group, thereby paving the way for the merger. Kim Sung-chik unsuccessfully ran from this district as a PPD candidate for the 13th National Assembly election hoping to serve his third term, and remained as its chapter chairman.

Kim Sung-chik's associates claim that Kim Tae-chung regards any attempt to shift the constituency from the Yongnam area to Seoul as "an act of neutralizing the cause of the opposition merger," an act which runs counter to the rationale for the merger, that is, to bringing the forces of the Yongnam and Honam areas together, and on this ground he applies the brake on other party leaders in order to prevent any such shift. In addition, they are confident that Kim Sung-chik will win the party nomination on the strength of his 20 years of intimate relationship with Kim Tae-chung.

**Both Factions Determined To "Hold Ground"**

Pak Yong-sik, whom Co-Chairman Yi Ki-taek holds dear as his aide, wanted to fulfill his political ambition banking on his background as chairman of the old Democratic Party, but is downcast under the weight of the big wheels above him.

In the Yongdungpo-B District, Yi Yong-hui, a former Supreme Council member of the defunct NDP, is virtually assured of nomination by Kim Tae-chung. He is challenged by Kim Su-il, however, who was squeezed out of the Yongdungpo-A District by Chang Sok-hwa, an assemblyman belonging to the Minju action. For Kim Su-il, the challenge is an uphill fight.

Ex-Assemblyman Yi Yong-hui has not applied for the post of responsible organizer contending that the appointment of responsible organizers is one thing and the nomination of candidates is another. But, he is trying to highlight his image as the only person who is a match for Na Ung-pae, chairman of the DLP policy committee.

Yi holds a niche in the opposition camp for these reasons: First, he fought so well in the 13th general election under the most disadvantageous condition of "one government party versus five opposition parties" that, although he failed to be elected, he came out second. Second, he solidly consolidated his party organizationally, in a manner worthy of his nickname "master organizer." Third, he is a big gun of the Sinmin faction with 30 years' intimate relationship with Kim Tae-chung—the two call each other "brother."

In the Tobong-B District a neck and neck tangled race is underway among these four: Assemblyman Yi Chol-yong, who formerly bolted the PPD accusing Kim Tae-chung of "offering nomination for money"; Kim Wang-tu, assistant general secretary; ex-Assemblyman Kang Won-chae; and Kim Won-kil, president of CHUNGANG CHUNGKKWON SINMUN. Assistant Secretary General Kim Wang-tu, Chairman Kim Tae-chung's key aide, is leading now, whereas Assemblyman Yi is looking forward to getting nominated relying on the stakes apportioned to the Minju faction.

In the Kanak-B District, Assemblyman Yi Hae-chan's constituency, a four-way race is underway with Namgung Chin, director of the party's general affairs bureau; Yi Hun-pyong, director of the party's labor affairs bureau; and ex-Assemblyman Yi Kil-pom also seeking nomination from this district.

Namgung, Kim Tae-chung's close aide, is using Party Chairman Kim Tae-chung's patronage, while Assemblyman Yi Hae-chan is holding his ground by counting on support from the Minju faction.

In the Kangdong-A District, a heated race is also under way with the former district chapter chairmen and incumbent party officials from the two factions tangling with one another.

While ex-Assemblyman Chong Chin-kil, former district chapter chairman of the pre-merger NDP and ex-Assemblyman Kim No-sik, former district chapter chairman of the pre-merger Democratic Party, are refusing to budge an inch. Kim Ik-chung, former public relations advertising chief of the defunct NDP, also issued a challenge. In addition, Supreme Council member Yi Pu-yong, who was expected to run from the National Constituency, has submitted his application for the post of responsible organizer of this district, thereby clouding the outcome of the race all more.

Because there are two applicants from each faction, the first thing each faction should do is make an inside adjustment about its own contestants.

There are quite a few districts in which the Sinmin and Minju factions are determined to hold their ground against each other.

They are: the Kangnam-B District contested by Assemblyman Yi Tong-kun (from the national constituency at large) and ex-Assemblyman Hong Sa-tok; the Kangnam-A District contested by ex-Assemblyman Yi Su-in and Chang Ki-uk, party disciplinary committee chairman; and the Socho-B District contested by ex-Assemblyman Kim Hyong-nae and An Tong-su, a lawyer.

In addition, difficulty is expected in the selection of responsible organizers for the district chapters in

Kyonggi Province, where the party plans to replace pre-merger chapter chairmen by outsiders on a large scale.

First, in the Puchon Central District there will be a fierce two-way race between ex-Assemblyman An Tong-son and Won Hye-yong, who was the Pulmuwon president when he became the old Democratic Party chapter chairman. In Uijongbu, a fierce contest for nomination is also underway between District Chapter Chairman Mun Son-Sang, a close aide of Kim Tae-chung; and Yuk Hyo-sang, a Supreme Council member. Mun is confident that he will nominated because Yuk has shifted his constituency from Taegu to Uijongbu seeing himself an underdog there, and because Mun has steadily consolidated his base in Uijongbu, as a favorite son.

**Appeal for Making Namwon 'No-Nomination District'**

The nomination race is more intense in the Honam area, Chairman Kim Tae-chung's electoral base, than anywhere else. Especially in those troubled districts where there is no one in control because the men in charge either have bolted or moved into Seoul, the competitive rate is 13 to one.

In the Yonggwang-Hampyong District—which became a vacated district after ex-Assemblyman Yi Su-in move into Kangnam District in Seoul—Assemblyman Kim In-kon (from the National Constituency) and Chong So-o, board chairman of Yonggwang General Hospital, are locking their horns against each other while 11 others including An Pyong-su, member of the Party policy committee, and Kim Ki-su, director of the Institute for Democratic Constitutional Studies, are in hot pursuit of the two front-runners.

Chong So-o, who is the local boss, is confident that he will be appointed as responsible organizer because he has Chairman Kim Tae-chung's sympathy and assurances. Chong's aides are not so sure, however, because of the persistent rumors that Assemblyman Kim In-kon donated 3 billion won to the opposition party in return for a promise to give him a post in the leadership and a nomination from a local constituency.

Chong So-o and An Pyong-su are doing their utmost to consolidate their electoral turf by stressing the theme that the person who truly represents the district should be nominated this time in view of the fact that the local population suffered in the past because ex-Assemblymen So Kyong-won and Yi Su-in [who were involved in a National Security Law violation case] were nominated from this district.

Meanwhile, the Tamyang-Changsong District, which became a vacant district when Assemblyman Kim Kil-kon bolted the PPD [Party for Peace and Democracy] shortly before the recent provincial-level elections, is one of the four most contested districts in the Honam area, with as many as 13 applicants. The contestants include Paek Sang-kyu, director of Hankuk Kiwon; Kim Pyong-uk, legislative examiner at the National Assembly Foreign Affairs and Unification Committee; Pak Tae-yong, former vice president of Taehankyo; Cha Sang-yol, former chairman of the PPD Inchon Southeast district chapter; Ki No-ul, cochairman of the Kwangju-South Cholla chapter of the Kyongsilyon; Kuk Chong-nam, president of Taeil Film; and Kim Song-su, senior vice chairman of the Youth Federation.

Of these contestants, Paek Sang-kyu is known to have a solid electoral base in this district. He unsuccessfully ran from this district for the 12th National Assembly on the Korea National Party [KNP] ticket and for the 13th National Assembly as an independent, but ranked second among the candidates. Ki No-il is a well-known activist in the Honam area. At one time there was the rumor that Kim Sang-hyon, former vice president of the defunct RDP [Reunification Democratic Party], might move into this district, but he is holding out in Seoul.

In the Koksong-Hwasun District, the stronghold of Assemblyman Hong Ki-hun, Assemblyman Cho Hui-chol from the National Constituency has declared his intention to regain his lost ground under the circumstances in which Lawyer Hong Nam-sun, Hong Ki-hun's father, is said to have become somewhat alienated from the local dissident group. Chong In-hwan, the party's organization bureau chief, has joined the race as a tough contender. Chong Wan-ki, a member of the South Cholla Provincial Assembly, and Pak Yong-uk, subsection chief of information of the Defense Ministry, are also in the race. There are nine contestants for nomination altogether in this district.

Kwangyang is the district where Assemblyman Yi Ton-man was hit hard because of his involvement in the scandal in which he and other National Assembly Commerce and Industry Committee members took a trip overseas with the money they received as a bribe. In this district, a fierce race is also under way for nomination with nine persons filing applications for the post of responsible organizer. Kim Myong-kyu, comptroller of the YMCA; Kim Kwang-yong, former Kwangju University professor; and Lawyer Kim Hun filed their applications. In addition, known overseas dissident activist Chong Chol-ki, who is cochairman of the Canadian HQ of the National Democratic Alliance of Korea (Chonminnyon), drew attention when he joined the race. Kwangyang is the seat of the Kwangyang Steel Mill, and regionalism is relatively weaker there among the electorate. During the recent provincial-level elections, this was the only place in the Honam area which elected the DLP candidate. It is the general opinion of the observers that the leadership in this district will most probably be replaced in view of these peculiarities.

The Muju-Chinan District, Assemblyman Yi sang-ok's turf, is crowded with 13 aspirants altogether as Assemblyman Yi Sang-ok is waging an uphill fight due to his fallen image as a result of a bribery case. The contestants include ex-Assemblyman O Sang-hyon, An Taek, representative of Taegwang Kiyon, and O Pong-su, board chairman of the Chonju Teachers' College Scholarship Fund. In addition, there is the rumor that Han Sung-hyon, a lawyer on concessions, may be invited into this district. All this makes it harder to predict how the nomination will end up.

In Namwon, where the tremor still lingers from the unsavory cases in which some candidates were nominated in return for the money they contributed, the squabble between assemblymen Cho Chan-hyong and Yi Hyong-pae continues with each claiming that "this is my territory." Assemblyman Yi in particular, who feels he was arbitrarily deprived of this district, is appealing to the party leadership "to leave this district as one in which no nomination be made so that the voters exercise their own judgments." If worse comes to worst, he will be ready to run as an independent. No person other than these two assemblymen has applied for the post of responsible organizer.

**Kwangju-B District Has Largest Number of Contestants**

In the Iksan District, 11 applicants are coveting the post of responsible organizer as the rumor spreads that Assemblyman Kim Tuk-su may not be nominated because he fell into disfavor with Chairman Kim Tae-chung as a result of his activities in the Political Development Institute. O Sung-yop declared his intention to be a candidate for the National Assembly for his third try. He unsuccessfully ran for the 12th and 13th National Assembly. Cho Song-chun, president of Hankuk Mining Development Corporation; Ha Chang-po, chairman of the New York Munhwa TV Station; Hwang Yang-kyu, director of the Tongbu Lions Club; and Son Han-son, chairman of CHUGAN KYOYUK SINMUN, are vying with each other.

According to informed sources, however, it is almost certain that Choe Chae-sung, who has shown his exceptional ability as Chairman Kim Tae-chung's assistant, will be nominated in this district, although he has not applied for the post of its responsible organizer. He is known as the "shadow of Kim Tae-chung."

In Kunsan, Assemblyman Chae Yong-sok is holding out, and altogether five applicants are logging their horns against each other. They include Om Tae-u, a PPD candidate from the National Constituency, and Son Chol-son, a lawyer.

In the Chonju B District—where Assemblyman Son Chu-hang is trying hard to mend the fence with Chairman Kim Tae-chung—Chang Yong-tal, a party theoretician from the dissident camp, is putting up strong competition with the assemblyman. Chang is sure of his nomination. Yim Kwang-sun, former chairman of the Kwanak A district chapter of the Democratic Party, descended on this district avoiding a showdown with Assemblyman Han Kang-ok. Also joining the race are: Im In-chol, who ran for the 13th National Assembly as a candidate from the Hangyorae Democratic Party; Yu Chung-song, who ran for the 1978 national election; and Choe Chon-kon, a PPD candidate from the National Constituency.

The Kwangju North District, which is certain to be subdivided, is crowded with a total of 17 contestants in the hottest race in the country. Among them are three incumbent National Assembly members, namely, Kim Yong-to and Kim Chu-ho from the National District and Chong Ung, the local baronet. Choson University Professor Kim Hong-myong, a renowned progressive scholar, has also declared his entry into the political world from this district. Other prominent contestants include: Journalist-turned politician Deputy Spokesman Yun Chae-kol; Yun Kang-ok, former chairman of the Association of Participants in the 18 May Kwangju Popular Uprising for Democracy; Kim Kyong-chon, former secretary general of Kwangju YMCA, and other figures from the dissident camp.

## No Orders Investigation of Entrance Exam Theft

*SK2401013492 Seoul THE KOREA HERALD in English 24 Jan 92 p 2*

[Text] President No Tae-u yesterday called for a thorough follow-up investigation after the arrest Wednesday of a key suspect of the recent leak of college entrance exam papers, the presidential office said.

"Investigative authorities should continue their investigation to leave no misgivings about the incident," No was quoted as saying.

The president made the remark after giving a letter of appointment to new Education Minister Cho Wan-kyu, spokesman Kim Hak-chun said. Prime Minister Chong Won-sik was also present at the occasion.

Cho replaced Yun Hyong-sop, who resigned having taken responsibility for the theft of the question sheets for the state-administered college entrance exam at a theological seminary in Puchon, a city neighboring Seoul.

Prime Minister Chong, while presiding over a cabinet session later in the day, also instructed investigative authorities to continue the investigation to find possible accomplices, the prime minister's office said.

## Price Stability, Improved Trade Seen as Key Goals

*SK2401032592 Seoul YONHAP in English 0245 GMT 24 Jan 92*

[Text] Seoul, Jan. 24 (YONHAP)—Price stability and improved trade are the country's key economic goals this year, even if it means a slower rate of growth, Deputy Prime Minister Choe Kak-kyu said Friday.

Stable wages and interest rates were necessary to increase exports and boost industrial competitiveness, Choe told a breakfast meeting, attended by top corporate executives, and this year's focus would be stabilizing both of them.

In lieu of lowering its economic growth target to 7 percent, the government would activate the economy with stronger exports, said Choe, who is also economic planning minister.

It would urge large companies with relatively high salaries to keep pay hikes below 5 percent, but medium-sized firms with low wages and manpower shortages would be allowed to set their own levels, he told the meeting, organized by the Korea Management Association.

To stabilize interest rates, Choe pledged to guarantee that loans went to appropriate borrowers.

"The government plans to systemize expanded fund flows to exporting, manufacturing, and medium- and small-sized companies and strengthen its inspection system to make sure that the funds are used properly," he said.

The government would be flexible on the limits for bank loans to companies with high export rates, and it would hold monthly meetings with industry officials on problems facing the nation's exporters, he said.

### 'Localization Plan' To Cut Machinery Trade Deficit

*SK2401095792 Seoul YONHAP in English 0905 GMT 24 Jan 92*

[Text] Seoul, Jan. 24 (YONHAP)—Economic policymakers drew up a localization plan Friday to slash South Korea's trade deficit in machinery and parts to 2.5 billion U.S. dollars and to reduce Japan's share of Korea's machinery imports to 34 percent by 1996.

According to the five-year plan made by the Industrial Policy Review Committee, the government will determine 4,000 target items for localization and spend 700 billion won (916 million dollars) to support firms seeking to develop them.

Korea had a deficit of 8.5 billion dollars in machinery trade (covering general, precision, transportation and aircraft machinery) and 39 percent of machinery imports were from Japan in the first 11 months of last year.

Financial loans for helping industry buy locally produced machinery and spur factory automation will be increased from last year's 4.6 trillion won to 5.7 trillion won.

The committee also decided to set up a "machinery and parts localization policy council" comprising officials of related ministries and institutions and chaired by the trade and industry minister.

### Banks Thrive in 1991 Despite Economic Slump

*SK2401033392 Seoul YONHAP in English 0254 GMT 24 Jan 92*

[Text] Seoul, Jan. 24 (YONHAP)—South Korean banks thrived in 1991 despite an economic slump and the financial difficulties of businesses.

The nation's 21 banks—11 based in Seoul and 10 based outside the capital—reported 1,767.4 billion won in gross earnings last year, up 26.6 percent from 1990, according to the Office of Bank Supervision (OBS) Friday.

Seoul banks had profits of 1,397.3 billion won, up 30.9 percent over 1990, and provincial banks made 370.1 billion won, up 12.7 percent.

The sharp rise was because the turnover of banks increased and their financial condition improved as they collected loans to investment and trust companies, the office said.

They were successful in cutting costs by rationalizing management and had more profits from bonds and debentures.

The aggregate net profit of the 21 banks was 796.5 billion won, up 12.9 percent from 1990. Seoul banks recorded a net profit of 614.9 billion won, up 16.4 percent, and provincial banks, 1,816 billion won, up 2.5 percent.

Korea First Bank in Seoul had the highest profit at 219.5 billion won and Korea Exchange Bank had the highest growth rate at 44.6 percent. Shinhan Bank was top in net profit at 115.6 billion won, and Koram Bank was first in net profit growth rate with 34.2 percent.

### * Technology Development Bank Opening Delayed

*922C0059 Seoul HANGUK KYONGJE SINMUN in Korean 16 Nov 91 p 11*

[Article by reporter Kang Yong-hyong: "Status on Establishment of 'Technology Development Bank'"]

[Text] The Democratic Liberal Party [DLP] and some government authorities are presently working on a special law to create the Technology Development Bank. Concerned agencies, such as the Economic Planning Board [EPB], the Ministry of Finance, and the Ministry of Science and Technology are currently debating differing views on this law. Thus, it may soon be known whether the special law will be enacted at the next regular session of the National Assembly.

In connection with the enactment of a special law for Technology Development Bank, the DLP has taken a positive position and proposed "legislation by assemblymen." Both the EPB and the Ministry of Science and Technology have agreed on the necessity of enacting a law, but the Ministry of Finance reportedly differed from this opinion during a discussion of [the law's] details.

It was the Ministry of Science and Technology that first proposed establishment of Technology Development Bank in the form of a nonmonetary financial institution.

Considering the domestic and external changes and economic conditions, the Ministry of Science and Technology recognized that "scientific and technological reform" is an important task that could determine the fate of our country. To make this reform possible, the Ministry of Science and Technology has concluded the most urgent task is to increase the science and technology investment, which will provide a continuous support for research and development, cultivation of scientific and technological manpower, and promotion of basic sciences.

The Ministry of Science and Technology proposed the establishment of the Technology Development Bank as a window to convert nonworking funds into a technology development fund. It also has advocated establishment of a new tax for science and technology to generate with needed investment funds. The Ministry of Science and Technology considers the establishment of the Technology Development Bank and a new tax for science and technology the keys that will enable the national task of scientific and technological reform.

In our country, almost everybody acknowledges the importance of science and technology. But when it comes to the investment for the promotion of science and technology, everyone becomes tight-fisted. In 1989, Korea spent 2,985 billion won on science and technology investment. This is equivalent to 2.12 percent of our GNP. The U.S. spent $126.1 billion (which is equivalent to 2.59 percent of their GNP) in 1988 [for the same purpose]. This amount is 29 times greater than ours. Japan, too, spent $76.3 billion (which is equivalent to 2.62 percent of their GNP) in 1988. Japan invested 18 times more in science and technology than we did. In addition, the so-called G-7 nations, such as England, West Germany, France, Italy, and Canada, also invested a greater part of their GNP as compared to our investment. In terms of dollars, the G-7 country with the least investment spent four times more than we did.

Although we have been saying "science and technology are the only way to survive," we have been very tight-fisted on investment. The Ministry of Science and Technology has pointed out that our science and technology must catch up with that of the G-7 nations if we are to approach the economic circle of the advanced countries in the 2000's. It says that to accomplish this, Korea must raise its science and technology investment to the level of five percent of its GNP by the year 2001 at the latest.

To this end, the Ministry of Science and Technology has proposed the idea of expanding the Korea Technology Development Corporation (KTDC) and converting it into the Technology Development Bank. According to the plan, the KTDC's capital would be raised from its present 48 billion won to 500 billion won, and KTDC would then function as a nonmonetary financial institution that would not handle loans and deposits for the general public. The plan states that the source of funds would include deposits of annuities and endowments, technology development lottery tickets with the guaranteed captial, technology development bonds, and other domestic and foreign loans.

Also planned is the conversion of nonworking capital and money tied up with real estate into funds for science and technology through lottery tickets and bonds.

The DLP welcomes the Science and Technology Ministry's plan in the sense that it could help the 180,000 medium and small businesses which have difficulty in industrializing research and development technologies. The EPB, too, has reportedly shown a positive attitude toward the idea of raising science and technology funding without any financial injection from the government.

However, the Ministry of Finance has objected to this plan. In the beginning, when the idea of enacting a law to establish the Technology Development Bank surfaced, the Finance Ministry "completely opposed" the proposal. But recently, its attitude seems to have changed to something like a "partial objection." There are two aspects of the proposal to which the Finance Ministry objects. First, it says, the term "bank" must not be used, and second, that allowing customer corporations to make deposits is inappropriate.

The Ministry insists that in order to use the term bank, the institution must be formed under the Finance Ministry, which is responsible for fiscal and credit policy. In addition, it says that if the institution accepts customer corporations' deposits, it must be supervised by the Bank of Korea and its financial superintendents. In this regard, the Science and Technology Ministry says that it is necessary to gain the public trust in order to convert the nonworking capital into funds for science and technology; to accomplish this it says there is no better name than "bank." In the case of [customer corporations'] deposits, it says the concerned agencies should supervise the operation.

However, the Finance Ministry also suggests that it will be difficult for the Technology Development Bank to support technology development if it operates under the Finance Ministry in the same way as general financial institutions. It explains that most of the domestic financial institutions make loans secured by real estate, whereas the loans from the Technology Development Bank would be secured by "technology" and an "entrepreneur's ability." Thus, it says, the Technology Development Bank would not be able to function as intended if it were treated like other banks.

A concerned authority at the Science and Technology Ministry also noted that when the Korea Advanced Institute of Science and Technology (KAIST) graduate school was created in 1970, there was a lot of debate over its jurisdiction within the Ministry of Education. He reminds us that the partial success achieved thus far in cultivating scientists is because the KAIST has functioned outside of the framework of the educational administration.

### Doctors Group Protests Opening of Medical Market

*SK1701035292 Seoul YONHAP in English 0251 GMT 17 Jan 92*

[Text] Seoul, Jan. 17 (YONHAP)—South Korea's largest organization of doctors told the government Thursday that it was opposed to allowing foreign management of health care facilities.

"The U.S. demand for allowing foreign management of health care facilities in Korea is highly likely to develop into a call for overall opening of Korea's medical service market," the Korea Medical Association said in a letter to the Health and Social Affairs Ministry.

The letter was in answer to a Ministry request Jan. 8 for the association's official position on the U.S. demand, conveyed late last month during working-level Korea-U.S. consultations at the Uruguay Round trade talks in Geneva.

"The U.S. concept of health care facilities encompasses not only hospitals but also eye clinics and other clinics of special concern and preventive medical facilities," the letter said.

"The concept of management excludes the medical services of doctors and nurses but embraces waste disposal, personnel management and accounting. Under some contracts, it would be possible to lease medical equipment. Our medical community is practically not yet ready, in terms of materials or personnel, for this sort of opening."

It said leasing high-priced medical equipment would accelerate Korean medical institutions' dependency on foreign equipment and tools, and it would undermine Korea's fledgling medical equipment manufacturing industry, inflating medical expenses.

The association asked the ministry to seek, in its consultations with the United States, the mutual recognition of licenses of doctors, dentists, nurses and other medical personnel.

### Government To Hold Pay Raises Under 5 Percent

*SK2101054692 Seoul YONHAP in English 0202 GMT 21 Jan 92*

[Text] Seoul, Jan. 21 (YONHAP)—The government will hold pay raises at 28 government-invested institutes under 5 percent and freeze executive salaries at last year's levels, Vice Economic Planning Minister Han Kap-su said Tuesday.

At a meeting attended by the chiefs of the institutes, Han explained the government's wage stabilization policies and told them to conclude wage negotiations by the end of March.

Wage negotiations are not in full swing at government-invested organizations because most unions haven't fixed their demands for this year.

The government would "guide" the institutes to keep pay hikes under 5 percent of total annual income and restrict the use of allowances to bolster take-home pay, Han said.

All institute chiefs were warned that they would be held responsible if they failed to settle wage negotiations by March.

### Energy Ministry Reports on 1991 Imports

*SK2401075092 Seoul YONHAP in English 0736 GMT 24 Jan 92*

[Text] Seoul, Jan. 24 (YONHAP)—Over 90 percent of the energy consumed in South Korea during the first 11 months of 1991 was imported, the Energy and Resources Ministry said Friday.

Imports increased 3.3 percentage points to 91.2 percent of total energy needs, and crude oil soared 3.6 percentage points to 57.2 percent of total energy imports from the same period in 1990.

Energy consumption rose 17.9 percent in industry, 17 percent in transportation, and 0.6 percent for commercial and home use.

The ministry said 51.2 percent of energy was used by industry, 20.1 percent for transportation and 25.4 percent for domestic and commercial purposes.

Energy consumption in November grew 13.3 percent to 8.24 million tons of oil equivalent from the same month of 1990.

### Environment Ministry Takes Action Against Firms

*SK2401094092 Seoul YONHAP in English 0844 GMT 24 Jan 92*

[Text] Seoul, Jan. 24 (yonhap)—The Environment Ministry took administrative measures against 305 companies found contaminating the environment in December last year, a Ministry spokesman said Friday. They were among the 2,690 companies surveyed in the month.

It lodged complaints against 143 of them and the rest were ordered to shut down, suspend operations or improve their waste treatment facilities.

Most companies were caught dumping pollutants above the legal limit or installing treatment facilities without due permission.

Choheung Chemical Industry Co. discharged waste water with a biochemical oxygen demand of 186 ppm, exceeding the legal limit of 150 ppm.

Hyundai Petrochemical Co.'s Daesan plant in South Chungchong Province was warned for failing to make daily checks of its anti-pollution management.

Doosan Electro-Materials Co., under fire for dumping water contaminated with phenol into the Nakdong River last year, was ordered to remove exhaustion facilities it had installed without permission.

# Brunei, Malaysia & Singapore

## Malaysia

### Spratly Islands Called Possible 'Conflict' Area

*BK2401084092 Kuala Lumpur BERNAMA in English 0744 GMT 24 Jan 92*

[Text] Kuala Lumpur, Jan 24 (OANA-BERNAMA)—Malaysia will continue to place its security forces on alert to face any security threats following claims on the Spratlys, Chief of Defence Forces Gen. Hashim Mohamed Ali said Friday.

We regard the Spratlys as an area which can give rise to conflict and affect the security situation in the region, he added.

He said that besides Malaysia and Vietnam, several other countries were also making claims on the groups of islands in the South China Sea.

It involves many parties.... Whatever happens there will also affect Malaysia and as such we will continue to be vigilant, he told reporters in northern Pulau Pinang State.

Malaysian Foreign Minister Abdullah Ahmad Badawi said on Tuesday that both countries had agreed to resolve the issue and Vietnamese Prime Minister Vo Van Kiet made a similar statement Thursday.

Hashim said that Malaysian security forces had been stationed on three islands and atolls situated at the border of the country's exclusive economic zone (EEZ).

China, Taiwan, the Philippines, and Brunei Darussalam are among the other countries making claims to the groups of islands believed to have oil and gas reserves.

China was reported to have dispatched its security forces to the area where it plans to set up a monument, while the Philippines last week announced that it will build air force and naval stations on several other islands.

### Ex-CPM Chief Wants To Return, Form New Party

*BK2401035692 Kuala Lumpur BERNAMA in English 0313 GMT 24 Jan 92*

[Text] Kuala Lumpur, Jan 24 (OANA/BERNAMA)—Former Communist Party of Malaya (CPM) leader Chin Peng will have to follow the democratic legal process to return to this country and set up a political party in Malaysia, Malaysian Deputy Prime Minister Ghafar Baba said Thursday.

We will have to see the laws of the party which he wishes to form, Ghafar told reporters here.

He said this when asked to comment on a THAI NEWS AGENCY (TNA) report which quoted Chin Peng as saying that he would return to Malaysia and set up a new political party.

Asked whether he would be allowed to form the party, Ghafar said: That will depend on the Registrar of Societies.

Nevertheless, it will have to be through the normal process, he added.

## Singapore

### ASEAN Officials Continue Talks on EAEC

*OW2301132892 Tokyo KYODO in English 1304 GMT 23 Jan 92*

[By Masanori Kikuta]

[Text] Singapore, Jan. 23 KYODO—ASEAN foreign and economic ministers remained split Thursday over a controversial East Asian economic grouping, but agreed to expand an ambitious regional free trade scheme by widening the coverage of products.

The ministers from the Association of Southeast Asian Nations failed to iron out differences on the Malaysian-proposed East Asia Economic Caucus (EAEC), leaving it to next week's ASEAN summit for a final decision, conference sources said.

Foreign ministers, meeting separately from economic ministers, "have more or less agreed" on how to present the issue to the six ASEAN heads of state or government who will meet Monday and Tuesday, Indonesian Foreign Minister Ali Alatas told reporters.

The foreign and economic ministers of Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand are to hold a joint meeting Friday to finalize recommendations on this and other issues to their leaders.

The EAEC was originally proposed in 1990 by Malaysian Prime Minister Mohamed Mahathir, who was concerned about possible trade protectionism in North America and Europe.

But Indonesia remains cautious toward the concept, which includes Japan and other regional economic powers but excludes the United States, one reason why Washington staunchly opposes it.

ASEAN sources said the ministers are trying to hammer out a compromise solution, including a suggestion to make EAEC part of a larger group such as the Asia-Pacific Economic Cooperation (APEC) forum, of which the U.S. is a member, so as to make it acceptable to all.

Aside from the dispute, the ministers endorsed the ASEAN Free Trade Area (AFTA) scheme calling for tariff cuts to zero to 5 percent within 15 years from 1993 through an Indonesian-devised Common Preferential Tariff (CEPT) formula.

They decided to include machinery and other capital goods in the scheme along with manufactured products and processed agricultural produce, said a Singapore Government official acting as a conference spokesman.

They also agreed to more than double the number of product categories subject to immediate tariff reduction, from seven to 15.

Electronics, pharmaceuticals, and plastics are among the categories added to fertilizers, pulp, textiles, and three others originally included.

In another development, the ministers agreed to strike out a proposal to invite world powers to sign the 1976 Treaty of Amity and Cooperation in Southeast Asia due to "political objections," the spokesman said.

The proposal sought to enhance the treaty, aimed at peacefully solving disputes, by encouraging ASEAN's dialogue partners such as Japan as well as the five permanent members of the United Nations Security Council to accede to the treaty.

But Indonesia considers the regional treaty should be signed only by southeast Asian countries, although it is open to accession by those outside the region, a senior ASEAN official said.

The ASEAN summit is expected to endorse a proposal to let Vietnam and Laos sign the treaty as an initial step toward eventual membership in the noncommunist group, set up in 1967.

### Diplomatic Relations Established With Latvia

*BK2001143292 Singapore Singapore Broadcasting Corporation in English 1100 GMT 20 Jan 92*

[Text] Singapore and the Republic of Latvia have set up diplomatic relations today. A Foreign Ministry statement says both countries were [word indistinct] develop friendly relations between them.

## Cambodia

### Various Meetings Focus on Refugee Repatriation

#### Sihanouk Chairs Meeting

*BK2401060692 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 24 Jan 92*

[Text] A meeting on the repatriation of Cambodian refugees living in various camps along the Cambodia-Thai border took place at 0930 on 24 January at Khemarin Palace. The meeting was held under the chairmanship of His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council [SNC] of Cambodia.

In attendance were representatives of the four Cambodian parties, the envoys of the five permanent members of the UN Security Council, Mr. Jean-Jacques Fresard, representative of the International Committee of the Red Cross, and Thai, Indonesian, and Japanese delegates.

#### FUNCINPEC, UNHCR Officials Meet

*BK2401094192 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 24 Jan 92*

[Text] A group of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] representatives headed by His Excellency [H.E.] Yu Hok-kri, secretary general of the FUNCINPEC office and representative of His Royal Highness Prince Norodom Ranariddh in Phnom Penh, met on 23 January with the representatives of the UN High Commissioner for Refugees [UNHCR] in Phnom Penh to discuss the process of repatriating Cambodian refugees.

Mr. Eng Roland, head of the Economic and Humanitarian Aid Department, and General Chhum Teak-leng, administrative chief of Site B camp and deputy head of the Cambodian community development service, also took part in the consultation. The UNHCR representatives included H.E. (Sibio Dionadi Mella), in charge of external relations of the UNHCR, and Mr. (Francois Codinat), UNHCR in Phnom Penh. This consultation was held to open contacts between the UNHCR and FUNCINPEC in Phnom Penh.

H.E. (Sibio) said he was pleased to see that Cambodians from all factions have taken part in the peace process up to this point. He urged all Cambodian factions to make greater efforts to effectively implement the peace plan for Cambodia. He said that not only will the UNHCR help repatriate Cambodian refugees to residences of their own free choice, but it will also be dutybound to help these refugees improve their livelihood.

After H.E. (Sibio) ended his speech, H.E. Yu Hok-kri asked him to urge the UNHCR to send delegations to the liberated zone under the control of the National Army of Independent Cambodia in order to directly study and especially examine the needs of the Cambodian people there.

In response, H.E. (Sibio) said he would do his best to comply with that request. He also promised to talk to other organizations that were only responsive to one of the sides to urge them to instead help the Cambodian people in general, for Cambodia belongs to all Cambodians and therefore, they should consider the common interests of the Cambodian people.

#### Kong Sam-ol Chairs Seminar

*BK2201102192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 22 Jan 92*

[Text] The first seminar on repatriation work was held in Phnom Penh at the conference hall of an international hotel on 20 and 21 January with the assistance of the UN High Commissioner for Refugees [UNHCR]. This seminar was chaired by His Excellency [H.E.] Kong Sam-ol, member of the Cambodian People's Party Central Committee, vice chairman of the State of Cambodia's

Council of Ministers, and chairman of the National Committee for Receiving Repatriated Persons.

Attending the seminar were committees in charge of implementing the repatriation work, representatives of various institutions and ministries, the executive secretariat on repatriation, municipal and provincial delegations, specialized UN organizations, and a number of nongovernmental organizations.

The aim of the seminar on repatriation work is to realize the goal and the memorandum of understanding on repatriation, signed in Phnom Penh on 21 November 1991 by the Royal Thai Government, the Cambodian Supreme National Council, and the UNHCR, and also to make national circles aware of and take part in implementing this task. It also aims at mobilizing the combined national and international forces and means and also at assessing the possibility of carrying out the task through close cooperation with international forces to make appropriate plans.

To this end, those attending the seminar embarked on the discussion and exchange of views on a number of ideas relating to preparations to receive repatriated persons from camps on Thai territory. Members of the audience analyzed the communications situation, the provisional centers, the possibility of solving accommodation and production problems, and concrete activities during each stage of the repatriation operation. They also discussed the effective use of international aid and the rehabiliation of local people and repatriated persons in order to achieve a successful implementation in the future.

Closing the seminar, H.E. Kong Sam-ol pointed out that the State of Cambodia's Government, as the local administrative structure and host, is responsible for the repatriation work. He added that it is most correct that the seminar agreed that the repatriation is a common task of the nation and society. H.E. Kong Sam-ol also voiced the appeal of the State of Cambodia's Government to compatriots both inside and outside the country, state authorities, security forces, mass organizations, and the clergy to make material, financial, physical, and intellectual contributions aimed at implementing the measures taken by the seminar for the operation to receive repatriated compatriots in the near future.

## Continuing Reportage on Vietnamese Aggression

### SRV Troop Withdrawal Not Observed

*BK2401030192 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 23 Jan 92*

["News analysis:" "It is already three months, neither verification nor preparations for the verification of the complete withdrawal of vietnamese aggressor forces from Cambodia have been made"]

[Text] We, the monitor of the process of settling and ending the Vietnamese war of aggression against Cambodia, are very pleased to assist and support the Paris accord dated 23 October 1991. We want to have the accord correctly and meticulously implemented, and specifically, we want the verification of the complete withdrawal of Vietnamese aggressor forces from Cambodia.

Nevertheless, it has been three months since the Paris accord was signed, and no verification of the Vietnamese troop withdrawal has been observed in the process of implementing the accord. We have noted that only insignificant issues have been discussed and that the Cambodian sides in western Cambodia alone have been subject to the verification.

However, the current concrete situation is that the Vietnamese aggressors are everywhere across Cambodia, but nobody has talked about those Vietnamese at all. And then when the Vietnamese told a pack of lies that there are no more Vietnamese aggressor forces left in the country, no argument was raised.

When we, the monitor of the Paris accord's implementation, check through the accord, we can see that nobody has verified or cared about the verification of the complete withdrawal of Vietnamese aggressor forces from Cambodia in compliance with the accord. Actually, the Vietnamese have become more arrogant at present and have persisted in further occupying the country. Anyway, the Cambodian people, the victims of the Vietnamese war of aggression, are right to request those who were attending the Paris conference reexamine the Paris accord's provisions, then urge an early dispatch of the UN Transitional Authority in Cambodia [UNTAC] to the country to join hands with the Supreme National Council [SNC] chaired by Cambodian Head of State Samdech Norodom Sihanouk to verify the total withdrawal of Vietnamese aggressor forces from Cambodia.

Only by doing so can the accord be respected and implemented. One cannot just say that the Paris accord is already implemented by only overseeing two or three Cambodian parties in the west of Cambodia without verifying and making sure that Vietnamese aggressor forces withdraw completely from the country.

### Polpotists' Truce Violations Noted

*BK2401035492 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 23 Jan 92*

[Text] In the second week of January the Polpotist faction continued to violate the cease-fire agreement by further shipping ammunition and deploying troops to harass and plunder our people. The Polpotist troops—turning a blind eye and a deaf ear to the people's suffering—continued to fire artillery shells on them, causing the people to lose their lives, families, homes, property, and cattle.

As a matter of fact, the Polpotist troops on 9 January fired many rounds from 122-mm cannons, B-40 rocket launchers, and H-107 guns on an area some eight kilometers east of Stoung District, Kompong Thom Province; about 90-110 rounds on an area 10 kilometers north of (San Ko); and 30-40 rounds on an area [words indistinct] north of (San Ko).

On 10 January the Polpotist troops fired 45 rounds of [words indistinct] and DK-75 mortars on the position of the 6th and 87th armed units in Sot Nikom District of Siem Reap Province, injuring one of our combatants.

On 12 January the Polpotists fired 100 rounds from 76.2-mm guns and 170 rounds from DK-75 mortars on the positions of the 86th and 2d armed units of Chikreng District of Siem Reap Province, killing one of our combatants and wounding three others.

In the district of Angkor Chum of the same province, on 13 January Polpotist troops violated the position of the 10th and 86th armed units. However, our forces were able to successfully resist the attack and defend the position.

On 14 January Polpotists troops from Division 516 attacked and violated one of our positions 20 kilometers east of Stoung, causing loss of life to one villager and injury to 10 others.

### Weapons Hidden In, Around Phnom Penh

*BK2401014492 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 23 Jan 92*

[Excerpt] According to successive reports from Phnom Penh, the Vietnamese are currently hiding troops and armaments in and around Phnom Penh for the purpose of carrying out various acitivities to destroy the Paris accord.

Lately we have learned that there is a Vietnamese arms cache in the Pochentong area. The Vietnamese put the weapons in coffins, then buried them in an area they call the Vietnamese Soldier's Cemetery. Vietnamese troops wearing the uniforms of the Phnom Penh Army guard the cemetery, and people are forbidden to enter the area. Those weapons are at hand whenever the Vietnamese might need them in an emergency. [passage omitted]

### Aid to 'Aggressors' Criticized

*BK2201134392 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 21 Jan 92*

["The Vietnamese aggressors are playing tricks to destroy the Cambodian peace agreement; the Cambodian people unite in thwarting the Vietnamese aggressors' maneuvers"—VGNUFC headline]

[Text] Since the start of this dry season, the Vietnamese aggressors have used multiple rockets, all types of artillery pieces, and many tanks at separate positions to launch attacks against Democratic Kampuchean national resistance forces and to commit all kinds of criminal acts against the Cambodian people almost everywhere.

This is because following the signing of the 23 October 1991 Paris peace agreement, some people have provided the Vietnamese aggressors with drops of water and revived them at a time when they were gasping for air due to the punishment by the Cambodian people over the past 13 years.

This assistance to the Vietnamese aggressors takes the form of humanitarian aid to assist flood victims or refugees. In fact, the aid has nurtured the Vietnamese aggressors and revived them. They used this money to buy foodstuffs and fuel, feed their troops, and secure tanks, artillery pieces, and multiple rockets, and so on, to attack the resistance forces everywhere.

All these activities by the Vietnamese aggressors are aimed at destroying the peace agreement and the Cambodian Supreme National Council [SNC] chaired by His Royal Highness Prince Norodom Sihanouk, head of state of Cambodia, to prevent this body from functioning.

The Cambodian people have every right to unite and fight the Vietnamese enemy aggressors and their allies and accomplices until the UN Transitional Authority in Cambodia is stationed in Cambodia to cooperate with the SNC to meticulously and thoroughly supervise the withdrawal of all Vietnamese aggressor forces from Cambodia.

### Sihanouk Attends Mine-Clearing Demonstration

*BK2201100392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 21 Jan 92*

[Text] On the morning of 21 January, His Royal Highness [HRH] Prince Norodom Sihanouk, head of state of Cambodia and chairman of the Cambodian Supreme National Council, and his wife, accompanied by His Excellency [H.E.] Senior Lieutenant General Pol Saroeun, member of the Standing Committee of the Cambodian People's Party [CPP] Central Committee, deputy defense minister, and chief of staff of the Cambodian People's Army; and H.E. Kong Sam-ol, member of the CPP Central Committee and vice chairman of the State of Cambodia's Council of Ministers, presided over a demonstration to destroy mines organized by the UN Advance Mission in Cambodia [UNAMIC] at the firing range in Phnum Sruoch District, Kompong Speu Province.

Present on this occasion were leading figures from the State of Cambodia's Defense Ministry, the Kompong Speu provincial party and people's committee, and provincial cadres and military personnel.

H.E. Ataul Karim, head of UNAMIC; representatives of the five major powers and permanent members of the UN Security Council; various diplomats accredited to Cambodia; representatives of Cambodian parties; various international organizations in Cambodia; and many local and foreign reporters were also present.

On this occasion, the UNAMIC representative reported to HRH Prince Norodom Sihanouk on the techniques for clearing and destroying mines used by various Cambodian parties in the war and also demonstrated the capability to destroy [words indistinct].

Afterward, HRH Prince Norodom Sihanouk said he was very pleased with UNAMIC and its material and moral efforts to save the Cambodian people's lives in clearing mines on Cambodian territory. He further said that from the beginning of 1992, all sides should abide by the cease-fire agreement and take part in clearing mines to pave the way for the safe repatriation of Cambodian refugees. He also praised the CPP and the State of Cambodia's Government, the Kompong Speu Provincial Party and People's Committee, and everyone for their efforts to build the nation and achieve the current development. He further said all Cambodians should unite in building and developing the motherland and for the sake of its glory and prosperity.

## Sihanouk Receives UK Development Delegation

*BK2301075192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 22 Jan 92*

[Text] The Southeast Asian Development delegation of the UK headed by His Excellency [H.E] David Burns, UK special representative to Cambodia, paid a courtesy call to His Royal Highness [HRH] Prince Norodom Sihanouk, head of state of Cambodia and chairman of the Supreme National Council of Cambodia [SNC], at the Khemarin Palace on 21 January.

Chea Chanto, minister of planning; Phi Thach, deputy minister of foreign affairs of the State of Cambodia; and representatives of other departments were also present on that occasion.

H.E. David Burns informed HRH Prince Norodom Sihanouk of the aid project worth U.S. $20 million promised to the Cambodian people by H.E. Lord Caithness, state minister for foreign affairs of the UK, to finance public health, the water distribution networks in Phnom Penh, and drinking water for the refugees and war victims. H.E. David Burns also promised to cooperate with the appropriate Cambodian authorities in Phnom Penh to speed up delivery of this aid for the Cambodian people.

HRH Prince Norodom Sihanouk said that on behalf of the SNC and the Cambodian people and in his own name he deeply thanked the UK Government for giving this precious aid to the Cambodian people. He also appealed to all Cambodian factions to enhance cooperation with the UK in receiving this aid.

## Chea Sim Visits Provinces, Holds Talks

### Ratanakiri Province

*BK2301083792 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 22 Jan 92*

[Text] On the morning of 20 January, Mr. Chea Sim, chairman of the Central Committee of the Cambodian People's Party [CPP], National Assembly, and National Council of the Kampuchean United Front for National Construction and Defense, paid a visit to Ratanakiri Province. He was accompanied by Gen. Bou Thang, Standing Committee member of the CPP Central Committee, [as heard] vice chairman of the Council of Ministers, and chairman of the General Political Department of the Cambodian People's Armed Forces; Lt. Gen. Sin Sen, member of the CPP Central Committee and deputy interior minister; and Mr. Kham Len, Standing Committee member of the CPP Central Committee, member of Council of State of the State of Cambodia [SOC], and chairman of the National Assembly's Nationalities Commission.

During the visit, Mr. Chea Sim called on the people and ethnic nationalities in various localities in the province.

The people and ethnic nationalities warmly welcomed Mr. Chea Sim's visit to Ratanakiri Province, a remote mountainous region.

Mr. Chea Sim also attended a meeting with leading cadres in the province.

Speaking at the meeting, Ms. Lak On, member of the CPP Central Committee and chairman of the provincial party and people's committees, expressed great joy and warm welcome to the SOC leading delegation's trip and working session in Ratanakiri Province. She added that during the past 13 years, Ratanakiri Province, which previously had no appropriate economic and cultural system, has now built up cultural and economic networks. She stressed that ethnic nationalities in Ratanakiri Province raised more animals in 1991: nearly 600 oxen, over 8,000 buffaloes, and a large number of hogs and fowl.

Mr. Chea Sim highly valued the achievements made by the party and people's committees, people, and ethnic nationalities in Ratanakiri Province in the past 13 years. He recalled new developments in political and economic fields in Cambodia, including the meetings of the Supreme National Council, activities of the UN Advance Mission in Cambodia, violations of the agreement by the Cambodian groups on the other side, and the open, free-market economic policy pursued by the CPP and the SOC Government.

### Kompong Cham Province

*BK2101054592 Phnom Penh SPK in English 0428 GMT 21 Jan 92*

[Text] Phnom Penh SPK January 21—Cambodian People's Party [CPP] leader Chea Sim visited Kompong Cham Province last Friday and inaugurated a mosque, an orphanage and three school buildings constructed by Islamic minority in Tbong Khmum District.

Chea Sim was accompanied by Math Ly, vice chairman of the National Asssmbly, Kong Sam-ol, deputy prime minister, Em Sam-an, general director of Kampuchea News Agency (SPK), and Hun Neng, Kompong Cham governor.

Mohamed Bashir, counsellor of Malaysian diplomatic representative to the SNC and Malaysian journalists were also present.

The facilities were built with fund contributed by Islamic nationals at home and abroad and Cambodian charitable people.

Chea Sim praised the local population, Islamic minority included, for their effort to overcome enormous hardship to obtain great achievements over the past 13 years, under the CPP leadership.

The CPP leader also recalled the State of Cambodia's Constitution in which all citizens can enjoy the freedom of belief.

While condemning Polpotist faction for their failure in implementing the peace accord signed in October last year, Chea Sim reaffirmed the Phnom Penh party's good will and frankness in complying with the accord so that the Cambodian people could live in peace.

As far as the election is concerned, Chea Sim recommended the people to consider and to properly exercise their right to self-determination, and urged them to cooperate with the party and government in opposing the corruption.

Chea Sim also contributed 4 million riels to the construction of the mosque and school buildings.

## Officials Meet Japanese Ambassador Imagawa

### Tie Banh Receives Envoy

*BK2401052392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 23 Jan 92*

[Text] His Excellency [H.E.] General Tie Banh, vice chairman of the Council of Ministers and Defense minister of the State of Cambodia [SOC], received H.E. Yukio Imagawa, Japan's permanent representative to Cambodia, at the Defense Ministry on the afternoon of 20 January.

After expressing warm welcome to his guest, H.E. Gen. Tie Banh spoke about the implementation of the Paris peace accord that all the Cambodian parties should execute with efficiency. However, he added, the Khmer Rouge have not yet properly implemented the accord—they had committed a great many robberies and plunderings in the north of the country, such as in Kompong Thom, Siem Reap-Oddar Meanchey, and Preah Vihear Provinces, and so on.

As a matter of fact, the Khmer Rouge recently attacked Stoung District in Kompong Thom Province, killing 18 villagers and wounding many others. They also destroyed the people's rice and houses, forcing nearly 2,000 families to flee and take refuges along National Route 6. The general pointed out that, at a recent meeting of the Supreme National Council, H.E. Hun Sen had said that what the Cambodian people urgently need is the dispatch of the UN Transitional Authority in Cambodia to the country at an early date.

For his part, H.E. Imagawa recalled his stay in Cambodia in 1965 when he was a secretary of the then Japanese Embassy to Cambodia. He also sincerely praised the Cambodian People's Party [CPP] for its leadership in promoting happiness to Cambodia and the Cambodian people. He pledged to expand and improve the relationship and cooperation between the two countries and peoples and to also display his full efforts to perform and make his mission in Cambodia triumphantly successful.

### Assistance Pledged to Chea Soth

*BK2101071392 Phnom Penh SPK in English 0436 GMT 21 Jan 92*

[Text] Phnom Penh SPK Jan 21—Japanese diplomatic representative to SNC [Supreme National Council] said here that Japan had plan to give all-sided assistance to Cambodia and pledged to do all it could to restore Cambodia.

Mr. Yukio Imagawa, who met with Cambodian Deputy Prime Minister Chea Soth Monday, said he would do his utmost to improve the relations and cooperation between the two countries and peoples.

Chea Soth told Imagawa of economic destruction and foods shortage in Cambodia caused by war of more than two decades.

Cambodian people are now in bad need of assistance to rebuild their country, Chea Soth said adding that the most difficulties now is the shortage of food stuff.

According to AFP, Japan, the United Nations second-largest overall contributor, has indicated it would be willing to finance a large part of UNTAC's budget, likely to run between one and two billion dollars.

## PDK's 21 Jan Memorandum on Accord Implementation

*BK2301042692 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 22 Jan 92*

["Memorandum:" "It Is Imperative to Completely and Correctly Implement the Comprehensive Accord on Cambodia;" dated 21 January 1992—read by announcer]

[Text] I. Gists of the Paris 23 October 1991 accord on Cambodia:

1. The Paris 23 October 1991 accord on Cambodia is an agreement for settling the Cambodian problem comprehensively. The following is the key points of the accord:

A. Verification of the complete withdrawal of foreign forces from Cambodia;

B. Verification of the disarming of the four Cambodian parties to create a neutral political climate; and

C. Supervision of genuinely free and correct elections; and

2. Two provisional authorities are charged with jointly implementing the accord and overseeing the full execution of the accord, specifically the three aforementioned important clauses.

II. Has the accord been implemented in accordance with the gists of the accord itself over the past three months?

The party of Democratic Kampuchea has the following remarks:

1. The Supreme National Council [SNC] works alone as the UN Transitional Authority in Cambodia [UNTAC] has not yet come;

2. In this situation problems have not yet been properly resolved:

A. No verification has been carried out and no preparation for foreign forces to withdraw from Cambodia has yet been made;

B. No process of disarming the four Cambodian armies has been prepared; and

C. The aforesaid facts have totally prevented a neutral political environment from being established in Cambodia.

III. The PDK stance:

The PDK's stance is to comprehensively, correctly, completely, and simultaneously execute the Paris 23 October 1991 accord. It is not possible to implement parts of the accord, then leave out or delay the execution of the others, especially the abovementioned key provisions. The PDK holds that if the UNTAC has not yet come to Cambodia and the SNC and UNTAC are not yet prepared to oversee the withdrawal of foreign forces from Cambodia, other minor problems cannot be resolved in detail since the Vietnamese aggressor forces are still present in the country, including various provinces and Phnom Penh. They are currently pursuing activities aimed at invading and occupying Cambodia.

Democratic Kampuchea wishes to reaffirm that other working processes cannot be carried out if the SNC and UNTAC do not jointly work to start implementing the Paris accord with the aim of ultimately:

1. Verifying the withdrawal of all foreign forces from Cambodia; and

2. Verifying the disarming of the four Cambodian parties to create a neutral political atmosphere.
[Dated] 21 January 1992.
[Signed] The Party of Democratic Kampuchea.

## SNC, UN Envoy Hold Working Session 23 Jan

*BK2301133392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 23 Jan 92*

[Text] The Supreme National Council [SNC] of Cambodia held a working session with His Excellency [H.E.] Yasushi Akashi, the UN secretary general's special envoy, at the Khemarin Palace on the evening of 23 January. The session was held under the lofty chairmanship of His Royal Highness Prince Norodom Sihanouk, Cambodia's head of state and chairman of the SNC.

Taking part were H.E. Dit Munti, chairman of the Propaganda and Education Commission of the Cambodian People's Party Central Committee and member of the SNC; H.E. Hor Namhong, foreign minister of the State of Cambodia [SOC] and member of the SNC; H.E. Hun Sen, chairman of the SOC Council of Ministers and SNC member; Prince Norodom Ranariddh, secretary general of the National United Front for an Independent, Neutral Peaceful, and Cooperative Cambodia and SNC member; H.E. Ieng Muli, secretary general of the Khmer People's National Liberation Front and SNC member; H.E. Khieu Samphan, representative of the Democratic Kampuchea Party and SNC member; H.E. Sin Sen, SOC deputy interior minister and SNC member; H.E. Tie Banh, SOC defense minister and SNC member; their excellencies representing the five big powers which are UN permanent members; representative of Indonesian diplomats in Cambodia; and H.E. Ataul Karim, chairman of the UN Advance Mission in Cambodia.

## Military Group Urges Timely UNTAC Dispatch

*BK2201131192 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 21 Jan 92*

[Text] On 16 January 1992, the Mixed Military Working Group held a meeting at the office of the Supreme National Council in Phnom Penh. Attending this meeting were representatives of the UN Advance Mission in Cambodia and representative from the armies of the four Cambodian parties.

At this meeting, General (?Mol Savy), representing the Party of Democratic Kampuchea [PDK], said the stance of the PDK is to sincerely and most correctly implement the Paris agreement. However, to this day, the implementation of the Paris agreement has not yet been well implemented. General (?Mol Savy) stressed that the most important thing in implementing the Paris agreement is the quick dispatch of the UN Transitional Authority in Cambodia [UNTAC] in sufficient numbers to supervise the cease-fire, the withdrawal of all foreign troops from Cambodia, and the elections in Cambodia.

Concerning the cease-fire violations, General (?Mol Savy) said if one side keeps accusing another without UNTAC presence, this only worsens the atmosphere and the situation will never improve. Therefore, to solve the problem of cease-fire violations, sufficient numbers of UNTAC personnel should be dispatched to Cambodia. This is why our PDK again and again proposed the quick dispatch of sufficient numbers of UNTAC staff to be stationed in Phnom Penh and various provinces to cooperate with the four Cambodian parties to supervise the cease-fire, the withdrawal of all foreign troops from Cambodia, and the dissolution of 70 percent of all four Cambodian parties' armies with the remaining 30 percent garrisoned and disarmed because as long as troops remain armed, accusations will be levelled at one another without end. In our view, only in this way can this problem be solved.

### UNAMIC Mission in 4th Region Discussed

*BK2101054192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 20 Jan 92*

[Text] During its 3-7 January historic mission in Cambodia, the UN Advance Mission in Cambodia [UNAMIC] went to survey arms depots and locations manned by a number of divisions in the 4th Military Region; minefields; and areas under constant attacks by the polpotists.

On 3 January, after arriving in the 4th Military Region, a UNAMIC team, accompanied by Maj. Gen. Long Sopheap, commander of the 4th Military Region, and many leaders in the region, went to the 6th Division. At the division, Lt. Gen. Long Sopheap clearly explained to the team the terrain, positions, and locations where the division had stored its arms.

The UNAMIC team also inspected the arms depots, artillery positions, and the terrain around the zone which is adjacent to the polpotist zone.

On 4 January, the team went to Svay Chek area in Thmar Puok District to conduct a preliminary survey on minefields in [words indistinct] the mountainous areas adjacent to the Thai border. In this area, It Loeu, chairman of the Banteay Meanchey Provincial People's Committee, described to the team the special points of this zone. He personally led the team on an inspection of the minefields in the province's battle zone.

On the same evening, the team continued its trip to Phreah Net Phreah District to inspect the 12th Artillery Regiment of the 179th Division.

In this area, the team was also warmly welcomed by the cadres and combatants of the regiment. The team listened to a detailed report and conducted a thorough survey of the number of arms and personnel, which were well maintained and stored by the unit.

On 7 January, to get additional information on other matters related to the Khmer Rouge, who have violated the agreement by constantly committing crimes against the people in some villages and communes, the UNAMIC team, accompanied by many leaders of the 4th Military Region, went to inspect the areas in Chikreng and Stoung Districts where the crimes took place

Upon arrival in the areas, the team heard detailed reports made by the district and provincial leaders on successive violations of the agreement by the Khmer Rouge and inspected the damaged areas and [words indistinct].

Wherever it went, the UNAMIC team expressed its deep thanks to leaders at all levels in the 4th Military Region for their cooperation and for creating favorable conditions for it to fulfill its mission successfully and in a timely manner.

### Unpaid Phnom Penh Soldiers Occupy Vacant Field

*BK2101024492 Hong Kong AFP in English 0153 GMT 21 Jan 92*

[By Sheri Prasso]

[Text] Phnom Penh, Jan 21 (AFP)—About 300 Phnom Penh Government soldiers, armed, unpaid and afraid for their futures in peacetime Cambodia, have occupied a vacant field on the outskirts of town and vowed to defend it with their lives.

With wives and hungry children and no salary in the last three months, they find themselves with few skills except the ability to fire a gun. Their units are being dismantled. Their demobilization is only months away, and they say they have nowhere else to go.

The military police say the land already has an owner—it is unclear who—and small skirmishes have been breaking out as the military police try to clear away the posts and string marking off the newly claimed plots. The standoff has lasted a week.

No one has been injured so far, but shots were fired Monday when military police told 31-year-old Second Lieutenant Kut Satcha and his comrades to clear out.

They say, however, that they have no intention of moving from the dusty patch two football fields long.

"If the government comes to fight me, they have to kill me," Kut Satcha said. "I have worked in the military for 10 years, and I have nothing now, no house and no land. I am not occupying this land so I can be a rich man. I only want to build a small cottage for my wife and children."

He and the other soldiers interviewed said they had not received their last three monthly salaries of about 10 dollars.

They say the land, lying vacant for years under ownership of the Phnom Penh Goverment, has been sold to a Thai businessman. In the name of nationalism, they said, they won't give it up.

"My wife was a teacher, but now she has become a nightclub dancer," said 28-year-old Sergeant Srey Sron. "The situation is very bad. I have no money to feed our children because I have no salary."

Angry Second Lieutenant Ban Vantha, 34, played nervously with his AK-47 as he gestured to a 10 square meter (110 square foot) patch of dirt marked with posts and string.

"I want this land because I have no house, and after demobilization I will build my house here," he said. "When they (military police) come again I will ask them to take pity on me, but if they still take the land I will fight them. I have to fight them. I am not afraid."

According to military police Lieutenant Colonel Niem Eng, the soldiers are breaking the law and risk arrest unless they disperse.

"This land has owners already. If people come to occupy it, we have to force them out," he said, adding that the same problem is occurring in other areas near the capital.

"People see the (vacant) land and think it has no owner so they come to occupy it," Niem Eng said. "They don't know. They don't understand properly."

He said the heads of the soldiers' units were trying to negotiate with them, "but if they still don't listen, if they don't carry out their military orders, our forces will go in with our military orders."

He said he did not know exactly who owned the land, only that the municipal government had asked for the plots to be cleared of occupiers. There is no question of a financial settlement, he said.

"What they are doing is wrong," Niem Eng said. "If we give them money it is not right."

## Indonesia

### Bush's Tour, Future Pacific Role Discussed

*BK2301130192 Jakarta SUARA PEMBARUAN in Indonesian 14 Jan 92 p 2*

[Editorial: "Dynamism in the Pacific Region"]

[Text] The recent visits by U.S. President George Bush and a number of prominent industrialists to four countries in the Pacific region showed that the Pacific region continued to hold a special position in terms of the globalization and geopolitical changes in the world.

President Bush paid a 12-day tiring visit to Australia, Singapore, South Korea, and Japan.

The region is special because dynamic is probably an accurate term to describe the rapid changes in the Pacific region, particularly over the past two decades.

The impressive economic and trade growth of Pacific countries has showed how important the region situated around the Pacific ocean is for the adjustment of global political and economic relations. The region—which is situated around the world's largest ocean, covers three of the world's five continents, and consists of countries having various cultures, languages, political systems, and degrees of economic growth—is unique in the world. Even more impressively, the Pacific region seems to be able to maintain its dynamism amid the difficulties plaguing the world.

Over the past few years, attention has been focused on the impact of the region's impressive economic growth on the world. Certainly, of particular interest is the economic role of Japan, as a Pacific country which has even been regarded as causing a shift in the geopolitical scene. The economic development of Japan, a number of newly industrialized countries such as South Korea, Taiwan, Hong Kong, and Singapore, and later, the ASEAN countries, has even been regarded as a factor that will give them a position to dominate the world. The American press has noted this phenomenon, describing the Pacific age as an era of an emerging Asian power.

Other regions regard Japan and newly Asian industrialized countries as powers that are able to create global economic instability in terms of their economic growth, trade surpluses, and financial strength.

President Bush's visits to the four Pacific countries were inseparable from this fear. On the other hand, there have been reactions from Pacific countries to the U.S. response to the impact of the dynamism of the Pacific region. These reactions, though unofficial, were clearly visible in demonstrations staged by both rightist and leftist political groups in all the countries—except Singapore—where President Bush visited.

As we know, the United States is trying to pursue a so-called aggressive bilateral trade policy—for example, by forging an alliance with Canada and Mexico—as one of its measures to counter [preceeding word in English] the Pacific region. During a general lecture in Singapore, President Bush denied that the trade and economic alliance known as the North American Free Trade Area [NAFTA] was a protectionist measure.

Similarly, the very high economic growth of the Pacific region seemed to have prompted West European countries to unite within a European political and economic entity known as the EC.

In this connection, when he recently presented the 1992-93 draft state budget to the House of Representatives of the Republic of Indonesia, President Suharto said that there would be concern if attention to economic and development matters led to the emergence of selfish trade blocs which confronted each other. It is feared that the economically weak developing countries would become victims in such an unequal world.

On the security aspect of the Pacific region, it seems that the presence of U.S. forces, which have historically played a role, continues to be welcomed. Ironically, Pacific countries, which adamantly advocated the creation of a ZOPFAN [Zone of Peace, Freedom, and Neutrality] before the East-West tension eased, are now offering their territories as sites for U.S. military bases.

Perhaps this is also part of the dynamism of the Pacific region.

## Dutch Stand on Aid for U.N. Dili Visit Rejected

*BK2301091592 Jakarta ANTARA in English 0720 GMT 23 Jan 92*

[Text] Jakarta, Jan 23 (OANA-ANTARA)—DPR (Indonesian Parliament) circles regarded the attitude of the Dutch lower house which demanded that development aid to Indonesia would be resumed on the condition that Indonesia accepted a UN special envoy, as too exaggerated.

"Our stand remains firm to reject any aid with political ties", the deputy secretary of the Development Functional Group for political and security affairs, Marzuki Darusman, said here on Wednesday evening.

He made the statement in connection with the view of the majority in the Dutch lower house which did not object to the Dutch Government's resumption of development aid to Indonesia if Indonesia would allow a UN envoy to visit East Timor.

Previously, Dutch Foreign Minister Van Den Broek on behalf of the Dutch Minister of Development Cooperation, Jan Pronk, told the Dutch Parliament that the aid of the Dutch Government to Indonesia in 1992 amounting to 147 million guilders, would be resumed, after being discontinued following the Dili incident on November 12, 1991.

According to Marzuki Darusman, the Dutch Parliament decision was largely exaggerated, because the aid problem had no connection whatsoever with the plan to visit Indonesia by a special UN envoy.

"Moreover, Foreign Minister Ali Alatas has stated that Indonesia would never obstruct the visit if the assignment met UN procedures", he added.

But if the visit of the UN envoy was connected with an international inquiry, then the visit should be rejected, because the investigation conducted by the National Commission of Inquiry (KPN) was sufficient, making an international inquiry no longer necessary, Marzuki said.

In the meantime the deputy chaiman of Commission I of the Indonesian Parliament, Theo Sambuaga, said that the Dili incident should no longer be questioned, the more so by connecting it with aid, because the Dilli incident was an internal affair of Indonesia.

"Indonesia will continue to cooperate with other countries, including the Netherlands, but free from dictation of course", he stressed.

On the Dutch Government's decision to resume aid to Indonesia, both MPs said that they had expected it.

Both believed that the KPN report which was objective and accurate, as well as the firm follow-up steps taken by the Indonesian Government in replacing Udayana Territorial Commander Major General Sintong Panjaitan and East Timor Operational Commander Brigadier General R.S. Warouw would be instrumental in revoking the previous Dutch Government's decision to stop aid to Indonesia.

In a meeting with members of the Dutch lower house in The Hague on Tuesday morning (21/1), Dutch Foreign Minister Van Den Broek stated that the KPN report on the Dili incident was 'inspiring and hopeful', making it possible for the Dutch Government to resume its aid to Indonesia.

## Defendant in Case of Leaking Secrets Sentenced

*BK2301100092 Jakarta ANTARA in English 0909 GMT 23 Jan 92*

[Text] Dili (East Timor), Jan 23 (OANA-ANTARA)—Public prosecutor Hambali Ali demanded on Wednesday a jail term of seven years plus two years and four months for Ar (48), the brain trust in the state secret leaking case now brought to court here.

Ar who has involved three others in the affair—each of them being tried separately—is also charged by the prosecutor of being previously involved in a political case and sentenced to five-year imprisonment in 1985.

Answering questions during earlier court sessions, Ar admitted that the reproduced secret documents were received by from Felismina Dos Santos Coceicao who is civil servant with 164 Wira Dharma Military Regiment Command.

He sent them further to Amaro De Araujo (29) in a white envelope for mailing to Ramos Horta in Australia. The latter sent the documents to Portugal with the purpose to obtain political support for East Timor independence.

One of the documents concerning an interview of East Timor Governor Mario Viegas Carrascalao to a Portuguese television system was later on published in a Portuguese newspaper. Another document relates to the visit to East Timor of a UN preliminary fact-finding mission.

The court session, chaired by Judge Amir Pane had heard four witnesses, including Ada (29) and Felismina Dos Santos Coceicao (29) who had appeared before a separate court as defendant also and be threatened with a seven-year jail term respectively.

The two other witnesses were of the military command itself, First Sargeant B. Agus and Second Lieutenant Kaming.

Witness Kaming answering court questions said that documents qualified as secret might only be opened by the regimental commander whereas Agus who was ordered to search Felismina Dos Santos Coceicao house told the court to have found several other documents also classified as secret. The court hearing will resume on January 30.

## Laos

### President Kaysone Phomvihan Returns From Thailand

*BK2301100492 Vientiane KPL in English 0919 GMT 23 Jan 92*

[Text] Vientiane, January 23 (KPL)—President Kaysone Phomvihan of the Lao People's Democratic Republic and his wife Mrs. Thongvin Phomvihan today morning arrived home by a special plane from Bangkok, ending a state visit from 6-11 January, 1992 and their holidays for some days to Thailand.

The Lao president's visit to Thailand was made at the invitation of Their Majesties King Phumiphon Adunyadet and Queen Sirikit of the Kingdom of Thailand.

On arrival at the airport, the Lao president was greeted by president of the People's Supreme Assembly Nouhak Phoumsavan, Prime Minister Khamtai Siphandon, Vice Prime Ministers Phoun Sipaseut and Khamphoui Keoboualapha, and other senior officials.

The Thai charge d' affaires a.i. was also on hand to welcome the Lao president and his wife at the airport. President Kaysone Phomvihan at the greeting ceremony inspected the guard of honour of the Lao People's Army amid the performance of the national anthem.

### Phoun Sipaseut Meets, Greets Border Group

*BK2201112292 Vientiane KPL in English 0902 GMT 22 Jan 92*

[Text] Vientiane, January 22 (KPL)—A ceremony was held here yesterday morning to sign an exchange of notes to ratify the Lao-Chinese border convention.

Signing the documents were Lao Deputy Foreign Minister Soulivong Phasitthidet on the Lao side and Chinese Ambassador to Laos Huang Guocai on the Chinese side. The joint border committees of the two sides witnessed the ceremony.

Mr. Xue Wenyi of the Chinese-Lao Border Committee and the Chinese ambassador on the same day morning called on Deputy Prime Minister and Foreign Minister of Laos Phoun Sipaseut who during his talks to the Chinese guests expressed satisfaction over the increasingly promoted traditional relations of friendship and cooperation between Laos and China.

The Lao deputy prime minister also acclaimed the result of solving a border issue between the two countries and wished the Chinese delegation success in its mission here.

The Chinese-Lao border committee led by Mr. Xue Wenyi, who is ambassador attached to the Chinese Foreign Ministry arrived in Vientiane Janunary 20 to attend a preliminary meeting of the joint border committees of the two countries held yesterday afternoon.

### 1991 Foreign Aid for Education Ministry Viewed

*BK2401113192 Vientiane KPL in English 0912 GMT 24 Jan 92*

[Text] Vientiane, January 24 (KPL)—To attract international assistance and cooperation in education is an important effort to contribute to the development of the educational network in the country.

Last year, the Ministry of Education and Sports received a 695,760,037 kip grant aid from international organisations, such as: UNDP [United Nations Development Program], UNESCO, UNICEF, the Save the Children Fund (UK), Mennonite, the Save the Children Fund (Australia), Quaker, the World Vision, the International Development Research Organization, the Sans Frontiere Organization, the World Religious Organization, the Asian Foundation, and other organizations for cultural and technical cooperation.

The ministry has widened its cooperation with foreign countries like Vietnam, Cambodia, China, Thailand, Japan, France, Switzerland, Australia, for training educational personnel and exchanging the educational experiences as well as for supplying educational equipement and assistance following the signed agreements.

The ministry has fulfilled two educational projects, with the cooperation of the Asian Development Bank, worth more than U.S. dollars 13 million. They are the project for teachers training, including the building of the Teachers's Development Centre (TDC), and the project of supplying educational equipment in a five-year period.

With the World Bank's cooperation, the ministry has basically finished drafting four projects on the general school curriculum development and implementation, the rehabilitation of school infrastructure, the development of information system, and the reinforcement of educational administration and management.

## Conference on Trade, Tourism for 1992 Opens

*BK2301112092 Vientiane KPL in English 0909 GMT 23 Jan 92*

[Text] Vientiane, January 23 (KPL)—The Ministry of Trade and Tourism of the Lao PDR [People's Democratic Republic] yesterday opened here a conference on trade and tourism for 1992, chaired by its Deputy Minister Sompadit Volasan, and attended by over 70 officials concerned with the sector from different services, provinces and enterprises throughout the country.

The conference will last for 3 days during which the participants will study steps toward a new management mechanism in developing market-oriented economy and in effort to bring about balance in trade, reducing its current state of imbalance. The conferece aims to improve the efficiency of the organisational system in trade and tourism sector, encourage both domestic and foreign businessmen to make investments and promote commercial prodution in the country.

To realise activities in the sector along the new management mechanism officials working in this sector need studies and training so that they can keep their skills, keep pace with the development in trade and tourism and enhance their responsibility in the work.

## UNHCR Funds for Vocational Training Reported

*BK2401105492 Vientiane KPL in English 0908 GMT 24 Jan 92*

[Text] Vientiane, January 24 (KPL)—The United Nations High Commissionner for Refugees (UNHCR) has so far funded U.S. dollars 73,000 vocational training courses, reports VIENTIANE MAI newspaper today.

Up to now five courses have been held for more than 400 participants. Most are the graduates of high schools in Vientiane prefecture, and 40 are repatriates from Thailand.

The course provides training in tailoring (six months), in electricity (one year), and in radio-TV repair (one year).

The ongoing course is expected to be the last funded by this UN organisation.

## SRV's Doan Khue Greets LPA Founding Anniversary

*BK2201113392 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 22 Jan 92*

[Congratulatory message from General Doan Khue, SRV minister of national defense, to Lieutenant General Choummali Sai-gnason, national defense minister of the Lao People's Democratic Republic, LPDR, on the 43d founding anniversary of the Lao People's Army, LPA; date not given]

[Text] Respected Comrade Minister, on the 43d founding anniversary of the LPA, on behalf of all cadres and combatants in the Vietnamese People's Army and in my own name, I extend my sincere congratulations to you, comrade, and through you to all cadres and combatants of the fraternal LPA.

Over the past 43 years, under the leadership of the Lao People's Revolutionary Party [LPRP], together with the country's multiethnic people, the LPA has grown stronger and more powerful. It has done great heroic deeds in the struggle against the imperialists and reactionary forces, contributing to winning an all-around victory for the Lao revolution. Presently, the fraternal Lao Army and people continue to make great achievements in defending and building their beloved country, thus contributing to safeguarding peace and tranquillity in Indochina, Southeast Asia, and the world.

As (?faithful) brothers [words indistinct] of the LPA, the Vietnamese Army and people are extremely proud of the glorious achievements and victories won by the frateral LPA.

I extend my sincere congratutions to the fraternal LPA.

May the LPA attain greater achievements and victories in implementing the resolutions adopted at the Fifth LPRP Congress to build Laos into a country with peace, independence, unity, and prosperity.

May the special solidarity and all-around cooperation between the peoples and armies of our two countries be further developed and deepened.

Comrade Minister, I wish you good health, new achievements in your noble duties, and happiness with the utmost sincerity.

## Health Assistance Memorandum Signed With Japan

*BK2301105192 Vientiane KPL in English 0903 GMT 23 Jan 92*

[Text] Vientiane, January 23 (KPL)—The Japan International Cooperation Agency (JICA) in the next five years will render technical assistance and cooperation to Laos's initial basic health service with an aim to improve the service in the central Khammouane Province, the first to start the effort. To realize this, JICA will send its experts to Laos to train Lao personnel along with giving medical assistance and medicine to Laos. This program will be in operation from March 1992 to February 1996 and will be expanded to other provinces if fruitful.

The assistance is stipulated in a memorandum signed at the Ministry of Public Health yesterday between Dr. Khemphet Vanthanouvong, head of the office of the ministry, Mr. Toruise, JICA representative, and Mr. Ziaul Islam, representative of the World Health Organisation in Laos.

The signing ceremony was witnessed by Dr. Vannalet Latsapho, deputy health minister, and senior officials of the Japanese Embassy in Laos.

## Philippines

### Delegation To Visit U.S. To Promote Investment

*HK2401045892 Manila BUSINESS WORLD in English 24 Jan 92 p 2*

[By Mary Jane Llanes]

[Text] The Board of Investments (BoI) is sending an investment mission to the United States Monday to promote the Philippines as an investment site against the backdrop of the recent kidnapping of American executive Michael Barnes and the overall economic picture in general.

BoI governor Tomas Aquino said the mission will be sent along with representatives from the Philippine Industrial Estates to discuss with investors via a forum the prospects of Philippine business amid the passage of the Foreign Investment Act (FIA) and the rise of industrial estates here.

Close to 100 U.S.-based business firms are expected to attend the forum although analysts believe the timing is bad considering the recent political and economic developments in the country.

"We expect to receive a cold reception from investors there but nonetheless we will try to the best of our ability to make them excited about the Philippines," Mr. Aquino said.

He said he will stress among businessmen there the areas of opportunities for investments in the Philippines and try, no matter how hard it may be, to paint a bright picture of the country in the midst of all the adverse developments both in the political and economic front.

The conference which will be held in San Francisco and New York, is backed by the United Nations Industrial Development Organization, San Francisco-based Forbes and Associates, Filipino-American Chamber of Commerce, Asia Foundation of New York and the Philippine-American Chamber of Commerce.

#### Members

The Philippine team will be composed of Rep. Margarito Teves, Tomas G. Aquino, Guillermo Luchangco of the Philippine Industrial Estate Association and Rep. Emigdio Tanjuatco.

Mr. Aquino said three groups of investors would be tapped during the mission: Asia-Pacific American firms which are looking at other investment sites; Filipinos residing there who are working for U.S.-based firms; and individual Filipinos and Americans who are highly liquid and currently not satisfied with the returns on their investments in the U.S..

"We want to show them that they can find competitive advantage by locating in the Philippines especially with the Foreign Investments Act in place," he said.

### 'Primary Suspect' in Barnes Kidnapping Surrenders

*HK2401012992 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 23 Jan 92*

[Excerpts] A former captain in the disbanded Philippine Constabulary [PC] suspected by police of being the brains behind the kidnapping of Michael Barnes has surrendered to the Central Police District. He is Captain Emmanuel Veneracion Pineda, a former member of the PC Highway Patrol Group. Pineda said he surrendered in order to clear his name and show that he is not involved in the case. He pointed out that during the Barnes kidnapping, he was confined at the V. Luna General Hospital. The Criminial Investigation Service raided Pineda's house in Murphy Boulevard after he was widely touted as being the brains behind a kidnap-for-ransom gang in Manila which has been victimizing rich Chinese businessmen. [passage omitted]

Meanwhile, the government expects an early solution to the Barnes kidnapping case. Justice Secretary Silvestre Bello III, head of the presidential task force involved in the probe, says the primary suspect has been arrested by investigators. He said new leads have been obtained by the investigators which will help solve the case. However, he refused to give further details so as not to jeopardize the case.

### Netherlands Donates Flood-Control Equipment

*HK2401045192 Manila PHILIPPINES NEWSDAY in English 24 Jan 92 p 4*

[By Santos Patinio]

[Text] The Dutch government is donating some P [Philippine pesos] 70-million worth of flood control equipment to stop the floodings in the Valenzuela, Malabon and Navotas areas, the Department of Public Works and Highways (DPWH) said yesterday.

DPWH Undersecretary Teodoro Encarnacion, who signed the multimillion-peso grant, said that the dredging equipment—split barges, push boats and mobile cranes—would arrive middle of this year to be used in the three municipalities.

Aside from this, 18 huge pumps would be installed in the area to pump out floodwaters towards Manila Bay during heavy rains.

Some parts of these towns get inundated most of the year because of the high tide, said Rudolf Van der Weyde, First Secretary of the Dutch Embassy, who represented his government in the signing of the grant.

He pledged more assistance to the Philippine government in the years to come.

## Aquino Endorsement May Not Help Ramos

*HK2201053192 Manila PHILIPPINES NEWSDAY in English 22 Jan 92 p 10*

["Turn of Events" column by Francisco Tatad: "So It's Ramos"]

[Text] Unless the unthinkable intervenes, former Defense Secretary Fidel Ramos will finally be anointed by President Aquino as her presidential candidate. It is an unusual comeback for the man who was roundly rejected by the ruling LDP [Struggle of Filipino Democrats] as its standard bearer last November 30. But Cory's anointment may not add much to his electability, just as it cannot possibly add anything to the President's stature or worth or credibility.

Despite the President's endorsement, Ramos will remain a presidential candidate without an organized political party. His presidential bid is older than his hastily assembled Partido Lakas ng Tao (People Power Party), which is nothing but an embryonic party. Perhaps only in a country where the President is partyless and the administration is older than the Constitution is something like this possible; but an embryonic party can only have an embryonic candidate, and this is what Ramos is and will be, despite Mrs. Aquino's anointment.

His candidacy will have to depend less on organization and more on propaganda; it will have to create illusions of strength where none exists, using non-existent or doctored surveys and partisan or bought media. Without a real political party, Ramos's thrust has been to discredit traditional political parties, describe himself as a non-traditional politician and claim allegiance to non-traditional political groups and nongovernmental organizations.

This will be an upward climb. For although this is Ramos's debut as a politician, he has already acquired some of the worst traits of our worst politicians. His inability to accept defeat in the LDP process of November 30, 1991 is just one of them; we will have a lot of opportunities to discuss other points in the course of the campaign.

This is not to say his anointment will have no effect on Speaker Ramon Mitra's presidential bid or on the strength of the LDP. It will. Rep. Jose Cojuangco Jr., the President's younger brother and LDP secretary general, will be under extreme pressure to abandon Mitra and cast his lot with his sister. So will others in the LDP who owe their present position to Malacanang or Kamaganak [Relatives] Inc. rather than to the LDP standard bearer.

But is is preposterous to expect a mass exodus from Mitra to Ramos. Nor is it correct to presume that Mitra's loss automatically translates to Ramos' gain. There is bound to occur a powershift that is not interchangeable with a simple transfer of support from Mitra to Ramos. Many supporters of Mitra could become so turned off by Mrs. Aquino's game that they could opt for other choices, not excluding going underground.

Provided Mitra does not lose his sense of balance, the setback dealt by Ramos' reemergence as a rival need not be a tragedy. Depending on how he plays his cards, he could parlay his political injury into a formidable advantage in the end. By cultivating the image of a loyal supporter and ally who has been betrayed by the President, he could make himself attractive to the opposition and build his alliances there. This opportunity is open, given the three-way split of the Nacionalista Party and the likelihood that the ruling by the Commission on Elections on this split will not unify the factions.

To the extent that Ramos' candidacy is seen as Mrs. Aquino's personal imposition on the ruling faction, to that extent will Ramos be seen by the electorate as the President's surrogate and defender of her failed regime. This will entitle him to the political perks reserved for an administration candidate. But at some point in the campaign, assuming his candidacy survives the initial moral test required by the Catholic Bishops Conference of the Philippines, his having been anointed by a president who thoroughly devalued the presidency and misused her term would begin to take its toll. The anointment, so earnestly sought and welcome in the beginning, could become a kiss of death later.

The threat to Ramos's candidacy will not come from Mitra's camp alone. If Mrs Aquino's anointment of Ramos does not prevent former Chief Justice Marcelo Fernan from running, he is likely to take some votes away from the anointed, especially in Central Philippines. Assuming Fernan's candidacy folds up despite the earlier support expressed by Jaime Cardinal Sin and Mesdames Mercy Tuazon and Bea Zobel, he cannot be expected to be an enthusistic supporter.

Having given up an unexpired term that should have given him another six years as Chief Justice of the Supreme Court just to aspire for the presidency, he is likely to feel even more betrayed than Mitra if he were completely thrown out of the race because of Mrs Aquino's intervention. Even those who had no intention of voting for him, may now vote with him, against the palace candidate.

In the end, Ramos may win something when Mrs Aquino announces her personal choice on January 25, only to lose so much more come May 11.

## Thailand

### Official on Joint Fishing Venture With SRV

*BK2401035892 Bangkok Radio Thailand Network in English 0000 GMT 24 Jan 92*

[Text] Director General of the Department of Fisheries Plotprasop Suratsawadi says several Thai fishing firms have already concluded negotiations with Vietnam on a fishery joint venture. The director general says that the firms will merge together later under a single company supervised by the government to undertake the fishery joint venture with Vietnam.

He says that negotiations for the Thai-Vietnamese special joint venture are not progressing quite well and a central body to carry the project has not yet been formed. This is because of internal problems in Vietnam. Moreover, he says Vietnam wants to make sure that the Thai Government will be able to control all Thai fishing trawlers operating under the joint venture.

Meanwhile, the government screening committee on economic matters has approved a draft bill calling for an amendment to the existing Fisheries Act. The draft bill will empower the minister of agriculture and cooperatives to impose import and export controls on marine animals and ban trade in endangered aquatic animals. The minister will also be authorized to impose penalties on operators of fishing boats trespassing on territorial waters of other countries.

### Yemen Offers Territorial Fishing Rights

*BK2401013792 Bangkok BANGKOK POST in English 24 Jan 92 p 19*

[Excerpt] Yemen has offered to allow Thai fishermen to work in its territorial waters which it claims possess abundant marine life.

The offer was made to Deputy Commerce Minister M.R. Pridiyathon Thewakun yesterday during his meeting with Yemeni Supply and Trade Minister Fadil Muhsin 'Abdauah.

"The Yemeni government sees Thailand as a fishing industry leader possessing advanced technology," said M.R. Pridiyathon. "It sees Thailand's ability as helpful to the Yemeni fishing industry."

The offer will be forwarded soon to the Agriculture Ministry, he said.

Meanwhile during another meeting with Board of Trade of Thailand [BoT] the Yemeni minister told the BoT executives that his government was encouraging foreign investments particularly in the areas of oil exploration, minerals and building materials.

The minister paid an official visit to Thailand during January 21-29.

Yukta Na Thalang, Chairman of Board of Trade of Thailand along with leading Thai businessmen held a meeting with the Yemeni delegation comprising government officials and Yemeni businessmen.

The meeting provided a forum for Thai businessmen to learn about the transitional period taking place since the unity of North Yemen and South Yemen and also to meet with Yemeni counterparts for the benefit of promoting trade relations and transactions.

The minister also said that Yemen had the largest area of sea shore in the Arab world and was thus capable of providing abundant resources for fishery investment.

Presently, Thailand's major export products to Yemen consisted of white sugar, rice, tube and pipe iron, textiles, garments, footwear, and canned tuna. As of June 1991, Thailand's export volume totalled 1,551 million baht while imports from Yemen—mainly diesel oil—amounted to 2 million baht. [passage omitted]

### Malaysia To Accept Ex-CPM Members

*BK2301024992 Bangkok BANGKOK POST in English 23 Jan 92 p 2*

[Text] Hat Yai—The Malaysian Government has decided to accept former members of the now-defunct Communist Party of Malaya [CPM], former CPM leader Chin Peng said yesterday.

Chin Peng was speaking at a press conference called by fourth Army Commander Lt-Gen Kitti Rattanachaya at Senanarong Camp in this southern province. The first batch of 30 former stragglers would leave for Malaysia on February 11.

The repatriation is expected to be completed within this year, said Chin Peng, former CPM secretary-general, after negotiating the terms of their return with the Malaysian Government.

The CPM ceased its activities after 40 years of armed struggle along the Thai-Malaysian border.

Though a peace settlement was signed between the CPM, Malaysia and Thailand in 1989 after the separatists agreed to end the insurgency, their repatriation could not be completed because about 400 CPM activists, who initialy chose to return to Malaysia, later changed their mind and decided to remain in Thailand.

The returnees will be given a one-year grace period by the Malaysian Government. The former separatists who chose to settle down here have already been given Thai nationality.

Some key members, however, have decided to stay on and among them are Rashid Mideen.

Chin Peng said he intended to return to Malaysia and set up a new political party.

### Thais Said Ready To Defuse Khmer Landmines

*BK2301075892 Bangkok Radio Thailand Network in Thai 0530 GMT 23 Jan 92*

[Text] Lieutenant General Wanlop Chittaroek, director of the Information Office of the Supreme Command Headquarters, made a statement clarifying news reports concerning operations to defuse landmines in Cambodia.

He reported that the Thai Government has assigned the Defense Ministry to take the responsibility in the clearing of landmines in Cambodia in accordance with a recent request from the United Nations. The Defense Ministry has therefore ordered the Army Engineers Department to work out details of the plan to defuse land mines in Cambodia.

At the initial stage, the United Nations has set a total number of 1,000 personnel for the operations. The figure comprises 700 soldiers from Thailand and 300 from New Zealand and France. The United Nations has set a budget of U.S. $25 million for the operations. The Thai soldiers will be given benefits equivalent to those of UN officials, he said.

The areas requiring urgent landmine defusion are along both sides of the route that the military technicians will construct a road from Poipet to Sisophon as a gift for the Cambodian people. Thai soldiers are now ready for the landmine clearing operations which are expected to kick off on 1 February. However, it would all depend on further consideration on various factors, concluded the Thai military spokesman.

### NAP Leader Chawalit Announces Election Candidacy

*BK2301032192 Bangkok BANGKOK POST in English 23 Jan 92 p 3*

[Excerpt] New Aspiration Party [NAP] leader Gen Chawalit Yongchaiyut formally announced yesterday that he will stand for the general election in Nonthaburi Province, ending speculation in many quarters over his election battleground.

Gen Chawalit's decision to choose Nonthaburi is widely seen as partly influenced by a recent announcement by Phalang Tham Party leader Chamlong Smuang to quit as Bangkok governor to stand for the national election in Bangkok's Constituency 2.

It was widely speculated earlier that Gen Chawalit would stand for the Chinese-dominated Bangkok constituency, following reports that he had tried to woo support from voters in the community.

Gen Chawalit told a press conference yesterday the decision was made for him by the party executive committee and it had nothing to do with Maj-Gen Chamlong standing for election in Bangkok constituency 2.

"The decision is the wish of Nonthaburi residents."

He said he will contest the election in Nonthaburi's constituency 2 with another party member, Surachat Wiriyapon. [passage omitted]

### Deputy PM on Move to Make Suchinda Premier

*BK2301092992 Bangkok Radio Thailand Network in Thai 0530 GMT 23 Jan 92*

[Text] Answering a question about the news that the National Peace-Keeping Council [NPKC] will push for General Suchinda Khraprayun, supreme commander cum Army commander in chief, to become Thailand's 19th prime minister, Deputy Prime Minister Michai Ruchuphan said this political move would depend on members of the House of Representatives.

Once the house, which consists of members of parliament [MPs], decides to choose or support anyone for prime minister, the public should accept that decision on the grounds that MPs are performing their duties on behalf of the people, Michai said.

The deputy prime minister said this issue should be carried out in line with the democratic system. Therefore, in the future, if MPs decide to support an Armed Forces leader for prime minister because they consider him the most suitable person, then that decision should be accepted.

Asked whether this would turn the clock on the political situation back to the old days, the deputy prime minister said we should rely on the MPs who have been elected by the people. He said it is the duty of the MP to choose the prime minister and that would depend on their discretion.

### Business Firms Offer Fund for 'Next Premier'

*BK2201081792 Bangkok NAEO NA in Thai 22 Jan 92 p 14*

[Text] A highly-placed informed source has disclosed that on Friday 17 January, an agricultural group of companies, a whiskey manufacturer, a textile company, and a financial business group pledged their financial supports for a "neutral" leader, who is expected to be nominated as the next prime minister. They offered him a combined total fund of 80 million baht for use as subsidies for political parties he favors.

In the upcoming general election two months away on 22 March this year, it is believed that no single political party will gain an absolute majority of seats in the House of Representatives to be able to form a government alone. Therefore, as before, there would have to be a coalition government without a political party leader accepted by the coalition parties as prime minister. A "neutral" person, who is not affiliated with any political party, will then be supported in the position of leader of the country's administration.

"Putting 20 million baht by each company or group into the fund shows the business sector's support for a neutral person as prime minister. Moreover, the fund is also intended to enable the neutral person to gain influence over certain political parties at his own discretion," the source pointed out.

### Governor Chamlong Resigns To Run in Mar Election

*BK2301031392 Bangkok BANGKOK POST in English 23 Jan 92 p 3*

[Excerpt] Maj-Gen Chamlong Simuang yesterday resigned as Bangkok governor to run in the March 22 general election.

The resignation takes effect today. His second term as governor of the Bangkok Metropolitan Administration began on January 7, 1990.

The Phalang Tham leader, wearing his trademark mohom shirt, drew the rapt attention of a crowd of reporters when he arrived at the Interior Ministry.

The resignation letter was submitted to Interior Minister Itsarapong Nunpakdi through the minister's secretary-general Loet Phungphat. [passage omitted]

### Ex-Deputy Premier Joins Samakkhi Tham Party

*BK1701032792 Bangkok THE NATION in English 17 Jan 92 pp A1, A2*

[Text] Former deputy prime minister and Puangchon Chaothai Party leader Gen Athit Kamlang-ek, arrested at gunpoint by the military in the Feb 23 coup last year, resigned from his party yesterday to join the military-backed Samakkhi Tham Party.

Athit announced his resignation at a party meeting at his residence yesterday afternoon without any objections from party members.

Athit said he and 10 party members would join the Samakkhi Tham Party, and some others would join other political parties.

He said he had decided to join Samakkhi Tham because it was concerned about developing the northeastern region, and its policies were not inconsistent with those of Puangchon Chaothai.

One report said Athit had faced financial problems and some difficulties in selecting appropriate candidates to stand in the poll.

Athit, an ex-Loei MP [Member of Parliament], denied reports that he might find himself in conflict with Buntheng Thongsawat, who is adviser to the party's executive board. Athit said he would take over as Samakkhi Tham's chief adviser.

The positions were different, he added, and "there would be no problem".

A source in the Puangchon Chaothai Party said party secretary general Suwat Liptaphanlop would become deputy leader of the Samakkhi Tham Party.

Suwat said yesterday the party members decided to join the pro-military party because it would give them the opportunity to put their policies into practice. He denied that they were opportunists.

Phinit Sitthiho, a party member, said another Puangchon Chaothai member, Bunyong Watthanaphong, would join the New Aspiration Party.

Party executive committee member Niphon Phatcharapraphan said the Puangchon Chaothai Party will not be dissolved. Deputy party leader Lt Gen Laphon Siripalaka has become acting party leader to direct the party in the upcoming election.

Nipon said the party would hold a meeting on Feb 2 to consider candidates to stand in the poll.

Buntheng welcomed the news that the retired general would become the party's chief adviser. "That would be fine," he said.

Buntheng added he would be glad to see Athit also become an electoral director overseeing the party's campaign in the northeastern region, saying Athit is popular there.

He also said he was confident the party would win the majority of votes in the March 22 general election and would back deputy National Peacekeeping Council chairman Gen Suchinda Khraprayun as the next prime minister.

Buntheng, an ex-Lampang MP, said Samakkhi Tham expected to win about 100 seats in the lower House. There was nothing wrong with the party and the people would support it.

In reference to Suchinda's earlier remarks that he would not accept the premiership post after the poll, Buntheng said: "The political situation could change 10,000 per cent. If somebody offers him the post, he would accept it.

"If he refused to accept the premiership post after someone asked him to, it would be shameful," said Buntheng.

He said whether he would back Suchinda for the top administrative post depended upon the political situation. He added that he would staunchly support the general if he became House speaker.

Asked if there were more people who wanted to join the Samakkhi Tham party, Buntheng said deputy Chat Thai Party leaders Pramuan Saphawasu and Anuwat Watthanaphongsiri and a retired military officer, Gen Sanan Sawetserani, may join.

Asked to comment on reports that deputy New Aspiration Party [NAP] leader Prasong Sunsiri may quit the NAP, Buntheng said if that was the case, he would like to invite Prasong to join Samakkhi Tham.

### Samakkhi Tham, Chat Thai, Others Form Alliance

*BK2401012392 Bangkok THE NATION in English 24 Jan 92 p 3*

[Text] The military-backed Samakkhi Tham Party announced yesterday that it will form a loose alliance with the Chat Thai, Social Action and Prachakon Thai parties.

Samakkhi Tham leader Narong Wongwan pledged to link with the three parties during an opening ceremony for Samakkhi Tham's head office, which Chat Thai leader ACM [Air Chief Marshal] Sombun Rahong also attended.

Samakkhi Tham is closely connected to the military and its members have often vowed to back one of the top brass as the next prime minister.

Narong's statement underlined political observrs' long-held perception that Chat Thai and Social Action (SAP) had become pro-military following key posts being given to military figures.

Ironically, the key posts were given to the military figures after the military-installed investigators handed over summary corruption rulings on party leaders.

Sombun, who was given the Chat Thai leadership following several Chat Thai leaders being branded corrupt, is known to be close to Air Force Commander in Chief ACM Kaset Rotchananin who is said to also support Samakkhi Tham.

The powerful SAP post of party secretary-general was given to Lt Gen Khasem Kraisan following the investigators branding some SAP leaders as corrupt.

Narong yesterday did not say if the four parties would attempt to form a coalition government after the March 22 election.

In his apparent attempt to quash speculation that the pro-military alliance would back either Kaset or Supreme Commander and Army chief Gen Suchinda Khraprayun for the premiership, Narong said he was ready to take the top Cabinet post.

"If Samakkhi Tham gets the most seats in the House of Representatives, I am ready to be the next prime minister," Narong said.

Samakkhi Tham expects to capture more than 100 House seats, party spokesman Suchat Tancharoen said yesterday.

Sombun also confirmed yesterday that he and the Samakkhi Tham Party had been long-time friends.

"I was among the nine people who founded Samakkhi Tham," Sombun said. "It was me who chose the party's name and logo."

Sombun apparently tried to downplay a recent incident in which two former Chat Thai deputy leaders, Pramuan Saphawasu and Anuwat Watthanaphongsiri, had defected to join Samakkhi Tham.

### Anan Calls for Private Sector Environmental Role

*BK2401015392 Bangkok BANGKOK POST in English 24 Jan 92 pp 17, 26*

[Text] Prime Minister Anan Panyarachun yesterday called on the private sector to play a more aggressive environmental protection role.

He also said business leaders should work together with the Government "to overcome threats to the environment and to achieve sustained prosperity".

Business growth and environmental protection need not be mutually exclusive, he said. In fact, conservation could help create business opportunities.

Mr Anan told the conference, "Asia & the Pacific: Merging Business and the Environment", many governments, including those of the United States and Japan, had offered developing countries a lot of money to increase their environmental protection.

He said this was because these countries would benefit from increased business later on as the developing countries needed to import conservation-related equipment.

"Cleaning up the environment is not just a price paid by doing business," he said.

"It can become a very definite way of taking a new competitive stand within the emerging international trade regime where environmental concerns play a large role in determining trade flow and ensuring long-term growth.

"With increasing economic regionalism, tariff barriers are gradually being withdrawn, while new non-tariff barriers, particularly those related to the environment, are on the increase."

He said the business community needed to recognise this trend and companies should position themselves where they could protect their activities from adverse international conditions and be ready to seize the first opportunity for expansion when it became available.

Mr Anan said the Government was planning the establishment of an environmental fund to help support businesses which amended their production methods to best serve the new environmental concerns.

The proposal calls for the extension of soft loans to businesses engaged in fighting pollution as damaging waste emissions were a type of social ill and society had to share the burden of finding a remedy.

Mr Anan said his administration had introduced unleaded gasoline to help reduce air pollution in Bangkok, and had also initiated the installation of centralised treatment plants and hazardous waste treatment plants in industrial zones in Bangkok's surrounding areas to serve the needs of the expanding industrial sector.

"The waste water treatment system in Bangkok alone will cost about 30,000 million baht," he said.

Government efforts will generate a lot of business opportunities for companies here and abroad.

The installation of catalytic converters in vehicles to tackle excess emissions and the development of waste treatment facilities are examples of areas where opportunities now exist.

The Premier said the private sector was in a strong position to develop corporate social responsibility on a wide range of environmental and development issues.

Now businesses are faced with the challenge of avoiding conflicts with conservation groups and non-government organisations while carrying out their business operations.

The Government is working on policies covering environmental management and a draft National Environmental Act is now being considered by the National Legislative Assembly and should become law within the next two months.

The draft calls for the Prime Minister to chair a ministerial-level board government environmental management.

"Thus environmental management will have a united command and will have greater effectiveness."

He said the new law would also change the role of government from being primarily a regulator and controller of development activities to one of supporting and facilitating development.

He said the Government would like to participate in environmental protection at a global level, and had started by discouraging local companies from logging activities in neighbouring countries intended for export to third countries.

"In Thailand, we have taken the radical step of banning all logging to protect the remaining rain forest. We have also embarked on a massive reafforestation programme."

Mr Anan said cooperation had been sought from all countries in protecting the environment "because no one nation can tackle this issue successfully on its own."

"No single government can bring about efficient environmental management without the help and cooperation of the business community and the populace at large."

Yesterday's conference was organised by the Thailand Development Research Institute, International Herald Tribune, Thai Airways International and Mazda.

### Graft Probe Indicts Ex-Deputy Interior Minister

*BK2201143292 Bangkok Radio Thailand Network in Thai 1200 GMT 22 Jan 92*

[All figures as heard]

[Text] General Sitthi Chirarot, chairman of the Assets Investigation Committee, briefed a press conference at 1440 today at the Supreme Command Headquarters on the results of the meeting of his committee. He said that the Assets Investigation Committee had completed its investigation into the assets of Sano Thianthong. The results show that Sano Thiathong, former deputy interior minister, has accumulated unusual wealth by receiving checks or cash worth 62.7 million baht from businessmen who won construction contracts from government agencies.

Details of the assets are as follows: 11 bank accounts worth 46.8 million baht; and one plot of land in Chon Buri Province, with joint ownership with other persons, worth 1.6 million baht according to the purchase agreement. The total assets, which will be confiscated as state property, are worth about 62.7 million baht.

## Vietnam

### U.S. Magazine Interview With Vo Van Kiet Noted

*BK2301090192 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 16 Jan 92*

[Text] Dear friends, the 13 January 1992 issue of the U.S. magazine TIME carries an interview with SRV Council of Ministers Chairman Vo Van Kiet by its correspondent Richard Hornik in Hanoi. The following are excerpts of the interview on issues related to Vietnam-U.S. relations and Vietnam's open door policy.

[Hornik] Has Vietnam now committed itself fully to the settlement of the POW-MIA isssue?

[Vo Van Kiet] Because there are unsolved MIA cases, it leaves the impression that there might be some American servicemen still alive in Vietnam. If there had been living American servicemen in Vietnam during the past 10 years, they were living out of our control. They might hide in the forests or jungles, but the jungles of Vietnam are not so vast, and I do not believe it would be possible for them to survive without detection. A second possibility is that there were some Americans who remained voluntarily after the war, gained Vietnamese citizenship, and married Vietnamese wives. But I can confirm to you that there are no such cases. The third possibility on which there may be some doubt is that we are still detaining some live Americans. But this is absurd. We are not detaining any Americans. What motive could we have to do such a thing?

[Hornik] Why should the American public accept your assurances?

[Vo Van Kiet] There are tens of thousands of Vietnamese families whose relatives are also missing and not accounted for. I myself am a victim. When American helicopters killed 300 people in one act along the Saigon River, my wife and my two sons disappeared. I can understand the sufferings of all the families in the U.S. whose relatives are missing in action. I do not carry any hatred from the past. I just want to extend my sympathy and understanding to those families. I want the American public to understand our position on this matter. We are ready to invite anyone who doubts us to come to Vietnam to study the situation on the spot.

[Hornik] Are you optimistic that the Bush administration will eventually normalize diplomatic relations with Vietnam or at least lift the economic embargo the U.S. has enforced for the past 16 years?

[Vo Van Kiet] Some American and other foreign friends have told us that the extension of the U.S. embargo last September was a technical prolongation. That is the terminology of optimists. But we do not undertstand the grounds for the extension for one more year. We do not even understand the extension in the previous year. I must say that we are very cautious because the two preconditions—peace in Cambodia and a full accounting of MIAs—set forth by the U.S. side have been met. So we wonder what other conditions set by the U.S. Government have not been expressed.

[Hornik] How much damage has been done to the Vietnamese economy by the American embargo especially before the start of economic reforms in 1986?

[Vo Van Kiet] The embargo began as we were attempting to heal the wounds of war. We had a weak and war-ravaged economy. We suffered the discrimination of the U.S. Government that prevented American and other firms from dealing with Vietnam. Asian countries such as Taiwan, South Korea, and Japan rebuilt their economies after the war. They may have had more appropriate economic policies. We have studied their experiences to develop our policy of renovation. But the new dragons of Asia did not succeed just because of correct internal policies and effort. They also had outside assistance and cooperation of decisive significance. Beause of the U.S. embargo, American and other foreign businessmen do not come to Vietnam; the World Bank, the IMF and the Asian Development Bank do not come to Vietnam.

[Hornik] Perhaps the biggest problem facing your economic reform program now is the massive amount of credit needed to support inefficient state-run enterprises. What will you do to resolve this?

[Vo Van Kiet] We want to change this because many of these enterprises are operating at a loss without any central control, and have no criteria for success. They have become irrational state-run enterprises. We are creating a market-oriented economy with many different sectors which will compete with one another. After 1992, subsidies will be terminated. Any state-run enterprises that cannot compete and cannot contribute to the national budget will either be dissolved or privatized.

[Hornik] Can you have economic reform without some degree of political reform?

[Vo Van Kiet] Democratization must be linked to economic democratization. We have to create a dynamic situation with a variety of economic sectors so they can develop and enrich themselves in a just and legal way. Economic renovation will lead to political renovation and political renovation will serve economic renovation, improving the living conditions of the people, and stabilizing the security of the society. One of the most important factors is political and social stability. We cannot develop economically without political stability. These two issues should not be separated.

## SRV, PRC To Open 12 More Border Gates

*BK2201151892 Hanoi VNA in English 1500 GMT 22 Jan 92*

[Text] Hanoi VNA Jan. 22—Vietnam and China have agreed to open 12 border gates between Guangxi Province and northern border provinces of Vietnam to promote the goods exchange between the two countries.

At the Hoanh Mo border gate (Quang Ninh Province) alone, the goods exchange has trebled since late 1991, with over 1,600 trucks carrying goods to and fro.

## ROK Minister Visits Jan 18-22, Meets Officials

*BK2201152992 Hanoi VNA in English 1508 GMT 22 Jan 92*

[Text] Hanoi VNA Jan. 22—Jin Nyum [name as received], minister of energy and resources of the Republic of Korea, paid a visit to Vietnam from Jan. 18-22.

He was accompanied by representatives of South Korea's eight biggest industrial corporations.

The Korean minister and his entourage were received by Chairman of the Vietnamese Council of Ministers Vo Van Kiet.

The Korean guests discussed with Vietnamese Minister of Heavy Industry Tran Lum the possibility of promoting the bilateral economic, scientific and technical cooperation in the fields of oil and gas, mining and personnel training. They had working sessions with senior officials of the State Planning Commission, the ministries of commerce and tourism and energy and the people's committee of Hanoi.

The Korean guests visited a number of economic and cultural establishments in Hanoi and Ho Ci Minh City.

During his meetings with Vietnamese officials, Mr. Jin Nyum expressed his deep impressions on Vietnam's development potentials and prospects for enhancing bilateral economic, scientific, technical and trade cooperation.

## Further on Vo Van Kiet's Visit to Malaysia

### Foreign Minister Holds News Briefing

*BK2401040192 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 23 Jan 92*

[Text] According to a special correspondent of the Vietnam News Agency in Kuala Lumpur, on the afternoon of 23 January, in the government guest house in Kuala Lumpur, Foreign Minister Nguyen Manh Cam held a press conference on the success of the official friendship visit to Malaysia by Chairman Vo Van Kiet and the Vietnamese high-ranking government delegation.

In the presence of large numbers of journalists and reporters of Malaysian and international press, radio, and television, Chairman Nguyen Manh Cam introduced the developments and results of the visit. He said that the visit was a fine success with the signing of agreements to ensure investment, authorize banks of both countries to do joint business, and extend the Kuala Lumpur-Ho Chi Minh-Hanoi air link. In the near future, agreements on cooperation in maritime navigation and avoidance of double taxation of exports will be signed along with some other agreements. At the same time, it was agreed to expand cooperation in such other domains as culture, education and technology.

The minister stressed: The visit of the Vietnamese Council of Ministers chairman and high-ranking delegation has promoted trust and understanding and created a setting for cooperation between the two countries. What can be confirmed is that a new page of bilateral relations between the two countries and of cooperation among the regional countries has opened as a result from this visit.

Asked about Vietnam's possibility to participate in the Bali treaty and to join ASEAN by a Japanese KYODO corresponsdent, Minister Nguyen Manh Cam said: Vietnam proposed with good will participating in the Bali treaty to establish premises for cooperation with various countries and this was welcomed by all countries. As far as I know, the summit of those countries participating in the Bali treaty will meet in the Philipplines and will decide on this issue. In the immediate future, Vietnam is ready to join as an observer of the ASEAN and this was agreed upon by the member countries. The joining of ASEAN as an official member would depend on the situation of regional development. Either an official member or an observer, Vietnam will do its best to struggle for a Southeast Asia of genuine peace, stability, friendship and cooperation.

Answering questions of newsmen of some major Malaysian papers about the coexistence of the two countries in solving the issues of continental shelves and illegal emigrants, Foreign Minister Nguyen Manh said: We have reached agreement in the spirit of mutual trust and understanding. The outstanding problems between the two countries have been resolved through negotiation. We have also agreed not to let the outstanding problems affect friendship and cooperation between the two countries.

### Party Concludes Visit, Returns Home

*BK2401035392 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 23 Jan 92*

[Text] Council of Ministers Chairman Vo Van Kiet, his wife, and the high-level delegation of our government returned to Hanoi at 1600 [0900 GMT] on 23 January, concluding their four-day visit to Malaysia with fine success. During the visit, the leaders of the government and sectors concerned of Malaysia warmly welcomed Chairman Vo Van Kiet and his entourage and created the most favorable conditions for their many diversified activities.

At separate meetings between the leaders of the two governments, as well as in the joint talks and working sessions between our ministers and deputy ministers and officials of various equivalent ministries of Malaysia, the sides exchanged views and introduced measures and forms aimed at further expanding the relations of friendship and multisided cooperation of which fine prospects can be seen from one another by both sides.

The outcome of the visit by Chairman Vo Van Kiet and the high-level delegation of the Vietnamese Government marks a new step of development in the relations between Vietnam and Malaysia. Together with his visits earlier to Indonesia, Thailand, and Singapore, this visit will contribute to further strengthening mutual understanding and trust between the countries in the region, thereby creating a new opportunity for the development of regional friendship and cooperation to make Southeast Asia a zone of peace, stability, friendship, and cooperation.

### Deputy Minister on Visit, Spratly Issue

*BK2401114192 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 24 Jan 92*

[Text] Comrade Vu Khoan, deputy foreign minister and member of a Vietnamese Government delegation which recently returned from its official visit to Malaysia, held a get-together this afternoon at the Foreign Ministry with correspondents of various news agencies, newspapers, radio, and television stations to inform them of the results of a recent visit to Malaysia by a delegation led by Comrade Vo Van Kiet, chairman of the Council of Ministers.

Comrade Vu Khoan said this visit produced very good results. The leaders and people of Malaysia gave the chairman a grand and sincere welcome. Both sides strongly agreed on the policy to open up a new era for friendly and cooperative bilateral relations and reached many agreements on cooperation in certain sectors.

As for the Spratly issue, the two sides agreed that they would refrain from doing anything that may complicate the situation and that when conditions permit, they would settle this issue through negotiations. Vietnam adopts a similar goodwill attitude toward its relations with other relevant countries although Vietnam has consistently asserted its sovereignty over the Spratlys.

The two sides agreed to arrange an early meeting of experts to clarify the overlapping sea areas due to different ways of identifying territorial seas so as to redefine the boundaries and discuss ways to conduct joint exploration and exploitation activities. This issue concerns only Vietnam and Malaysia.

### Foreign Investments in Hanoi 1988-91

*BK1901071092 Hanoi VNA in English 0633 GMT 19 Jan 92*

[Text] Hanoi VNA Jan. 19—In the four years since the promulgation of the Law on Foreign Investment, 47 foreign invested projects with a total capital of USD 350 million were licenced.

Most of the projects are in the fields of service industry, construction, industry, agriculture, food, communication and posts.

Of this number, twenty-two projects with a prescribed capital of USD 57.5 million are managed by the Hanoi people's committee.

Vietnam contributed USD 15.7 million.

In 1992 Hanoi is expected to grant 25 licenees with a total capital of more than USD 600 million.

### Vo Van Kiet Attends Hanoi Planning Conference

*BK2001130792 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 17 Jan 92*

[Text] The Council of Ministers recently held a conference to hear the Hanoi municipal people's committee report on planning of the capital. Attending the conference were Vo Van Kiet, chairman of the Council of Ministers; comrades Nguyen Khanh and Tran Duc Luong, vice chairmen of the Council of Ministers; and ministers and heads of committees at the central level.

The capital will be mobilized from the five economic components to carry out the planning program, which include a housing project to be built in various areas, taking Hoan Kiem and Ba Dinh Wards as a center. The average land area allocated for each person is 50 square meters. It is estimated that about 1.5 million people will live in the inner area of the capital by the year 2010, and 1.7-2 million people in the ensuing years. This is an appropriate relocation of land suiting the realities in Vietnam at present and in the future.

### Hanoi Meeting Reviews Investment Projects

*BK2101055092 Hanoi Voice of Vietnam in English 1000 GMT 16 Jan 92*

[Text] A meeting to review foreign investment in Hanoi over the past four years was held Tuesday by the Hanoi People's Committee.

Since the foreign investment law was promulgated four years ago, Hanoi has granted licenses to 50 projects with total investment capital of $350 million. These projects cover services, [word indistinct], food industries, post, and transport.

### Council of Ministers Decision on Debt Settlement

*BK2101133792 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 14 Jan 92*

[Text] On 13 January the Council of Ministers chairman issued a decision on the settlement of debts in the first stage of the general debt settlement drive as follows:

The first stage of the general debt settlement drive may be carried out among currently operational state-run business enterprises according to the numerical data that have been clearly balanced and prescribed for the whole country until 31 December 1991. The Central Steering Committee for the General Settlement of Debts will sign orders to settle debts generally for all state-run business enterprises in the area of provinces and municipalities directly subordinate to the central government.

The debt settlement committees of provinces and municipalities will refer to the debt settlement orders and copies of the orders presented by each enterprise—which are given them by the Central Debt Settlement Steering Committee—to sign debt settlement orders for each state-run business enterprise operating in the area and ensure accurate settlement for each unit. The state banks will be entrusted with issuing special promissory notes called promissory notes for periodic debt settlement with interest in order to pay state-run business enterprises authorized to collect money in the first stage of the general debt settlement drive. When the one-year and two-year promissory notes expire, the state banks will recover them and pay both principal and interest. State-run business enterprises are authorized to use promissory notes to pay their debts to the budget, banks, and credit organizations, to advance loans, and to transfer funds to one another.

It is agreed that state banks are authorized to use part of the funds allocated to them as recommended by the Central Steering Committee for Debt Settlement in order to make supplemental payment together with the promissory notes. State banks are responsible for recovering debts from enterprises to reimburse these funds. The Central Steering Committee for Debt Settlement is responsible for guiding the organization and implementation of this decision and to conclude the settlement of debts for the first stage within January 1992.

## Draft Revised Constitution Explained

*BK2401103392 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 20 Jan 92*

[Article by Nguyen Viet Dung, permanent member of the Constitutional Amendment Committee: "The Draft Amendments to the Constitution and the Renovation of Our Country's Political System"]

[Text] Renovating the political system is an important fundamental policy that has been institutionalized in the draft revised constitution. The revision of the constitution will reform the state machinery a step further and constitutes absolutely no change in the nature of our country's political system. It is mainly aimed at enhancing the managerial effectiveness of the state, building socialist democracy, and strengthening the socialist legal system.

Renovation, by and large, and the reform of the state machinery a step further in particular, is a process that must be carried out positively and urgently yet cautiously and not impatiently or hastily. Every steady step must be calculated to firmly ensure and strengthen political stability and promote socioeconomic development. We must firmly lean on the basis of creatively applying Marxism-Leninism and Ho Chi Minh thought, proceed from realities in the country and experiences in building the Vietnamese state over the past few decades, and take into account the advanced knowledge and experience in the world.

1. Renovating the political system is the goal of building and step by step perfecting socialist democracy to secure total power for the people. The draft revised constitution asserts that our state is of the people, by the people, and for the people, taking the worker-peasant-intellectual alliance as a base led by the Communist Party. The draft institutionalizes the people's right to mastery and stipulates the basic rights and obligations of citizens. Along with broadening democracy, it pays attention to preventing the abuse of the right to mastery to cause political instability.

2. Renovating the political system on the state level is to guarantee unified and undivided state power, with clear assignment and definition of responsibilities. The draft revised constitution asserts that state power is centralized and unified in the National Assembly. The organization and operation of the National Assembly, the People's Councils, and other state agencies follows the principle of democratic centralization.

The National Assembly is the highest organ of state power and the unique agency invested with constitutional and legislative rights. The National Assembly decides the most important issues of the country and exercises the supreme right of supervision over all operations of the state.

The State Council elected by the National Assembly is a standing organ of the National Assembly. The State Council chairman is the leader of the state and represents the state in domestic and foreign affairs. The draft clearly defines the duty and authority of the State Council and its chairman and of the National Assembly chairman.

The draft revised constitution changes the Council of Ministers into the government. The government is determined as an executive organ of the National Assembly and the highest agency of state administration. The prime minister heads the government. The constitution is generally defined as an organizational law specifying those works to be debated by the government collectively and voted upon, and those to be decided by the prime minister in order to closely combine the authority of the collectivized government with that of the prime minister.

The judiciary reform is part and parcel of the reform of the state machinery and operation. The draft revised constitution stipulates that the Supreme People's Court is the highest adjudicating organ to supervise trials by the local people's courts, courts martial, and other tribunals. The system of electing judges is changed into a system of appointing and electing the people's jurors. Courts are organized after the administrative units in combination with the adjudicating echelons as they exist currently.

The people's supreme organ of control still maintains its two current functions: The function of generally controlling law enforcement to ensure scrupulous and uniform implementation of laws as well as its prosecuting function. The organizational law must define the limits of the general control function to avoid confusion between general control and state inspection.

Based on the principle of unified state power, that it is impossible to conceive of a central state and local states, the draft revised constitution stipulates that the people's councils are the local people's delegated agencies which represent the will, aspiration, and right to mastery of the local people. It rescinds the old stipulations that the people's councils are state power organs in localities.

The draft changes the names of the people's committees at all levels into administrative committees to clarify their functions and duties. It stipulates that people's councils and administrative committees at all levels must comply with all resolutions and decisions of the central administration. It builds a unified, thorough and highly effective system of state administration.

3. Renovating the political system in our country aims to raise the role of the Vietnam Fatherland Front [VFF] and mass organizations in building and defending the state to ensure that the people can exercise their mastery through the state and their organizations. The draft constitution defines the front as the political base and a firm fulcrum for the state, as well as pointing out the close relationship between the state and the VFF and other mass organizations. The state respects the right to represent the legitimate and legal interests of mass

organizations and creates all conditions for the organizations to supervise the activities of state agencies, publically elected delegates, cadres, and state employees.

4. Renovating the political system in our country encompasses the renovation of party leadership over the state—the most important condition to carry out renovation of the state machinery, to better the quality and effectiveness of party leadership, to make the state's managerial and operational control more effective, to improve respect for the law, and to promote the people's right to mastery. The draft revised constitution continues to note that the party is the leader of the state and society, all party organizations operate within the framework of the constitution and law, and the party leads but does not work on behalf of the state. The draft clearly defines the function and duty of the party and state and satisfactorily settles the relationship between the party and the state to make the party and state correctly perform their functions and fully develop their roles in order to make sure that the effectivess and the integrated force of the whole political system be strengthened.

## Dam Quang Trung Attends Draft Debate

*BK2401053792 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 21 Jan 92*

[Text] Yesterday, large numbers of scientists, writers, and artists in Hanoi enthusiastically participated in a debate to contribute their views to the draft revised constitution of 1980 which was organized by the society of science and technology associations and the literature and arts union of Hanoi. State Council Vice Chairman Dam Quang Trung attended the debate.

With a high sense of responsibility, all the delegates contributed very specific views to the draft revised constitution, using persuasive arguments. Besides suggestions requesting change and substitute of sentences and words to suit the situation and lines of the society, many views aimed to clearly define the party's leading role and the socialist institutions in order to make the constitution a truly fundamental law of our country.

## Do Muoi Discusses Tasks of Youth Union

*BK2201152392 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 9 Jan 92*

[Text] Amid the elated atmosphere of the early days of the year on 4 January, at the headquarters of the Ho Chi Minh Communist Youth Union [HCMCYU] in Hanoi, General Secretary Do Muoi met with more than 50 members of the capital youth union. Also attending were Comrades Pham The Duyet, member of the Political Bureau and secretary of the Hanoi party committee; Le Xuan Tung, member of the party Central Committee and deputy secretary of the city party committee; Ha Quang Du, member of the party Central Committee and first secretary of the HCMCYU Central Committee; and many other members of the party committee and the people's committee of Hanoi municipality.

On behalf of more than 1 million youths and teenagers in the capital, Nguyen Manh Cuong, the city youth union secretary, reported to the general secretary on the situation of youths and the union tasks, and expressed profound gratitude to the party, the state, and the general secretary for their special concern for youths in the capital.

The general secretary and the city leaders attentively listened to the views of many delegates representing youths of many strata in various factories, the cities, and the suburbs. The delegates frankly voiced the thoughts and feelings of youths about the current situation and the youths' tasks at a time when the country is undergoing the renovation process. At the same time, they petitioned the party, the state, and the municipal authorities about the motivation of youths as well as the policies and systems toward the cadres of grass-roots level unions in order to help create succeeding contingents of cadres for the party, the state, and mass organizations.

On behalf of the city youth union, Comrade Pham The Duyet presented the city party committee's assessment of the truly important role of the youth in the capital, asserting that the city party committee always considers youths the main force in stabilizing political security and social safety, an assault force in the struggle against negativism to victoriously implement the renovation line of the people in the capital, and an important source of replacement cadres for the party and the state.

Talking cordially with the delegates, Comrade General Secretary Do Muoi praised youths for their great contributions to the revolution thus far as well as their positive contributions to the current renovation process. He clearly specified: Youths in our country have plainly manifested their heroism in national liberation. Now the central task of all our party members and people, including youth,s is to defeat famine and illiteracy just like our beloved and respected Uncle Ho said. We resolve to repel poverty and backwardness and make the country prosperous and strong and to build a modern and civilized socialist homeland. This is a struggle full of sacrifice and danger. If we want to build a prosperous and strong country, we should understand the advanced knowledge of mankind. It is essential then to raise the intellectual standard of the people.

Facts over the past years have shown that the renovation line initiated and led by our party is correct and suitable to the conditions of our country. Implementing this line, our people have scored encouraging initial achievements to which youths have contributed greatly. Bringing into play the successes, all our party members, people, and troops must uphold independence, sovereignty, and self-reliance, and resolve to victoriously implement the seventh party congress resolution.

May youths countrywide continue their heroic traditions in combat, take the lead in overcoming all difficulties, dangers, and hardships, and remain worthy of being the heroic generation in serving the cause of making the country prosperous and strong in the transition to socialism!

The comrade also gave some specific hints about the organization of the youth union and youths in the capital in resolving problems and overcoming the current shortcomings in order to vigorously advance the youth task. He urged the youth union organizations to attentively promote the initiative and creativity of youths, to knowingly combine the task of building the youth union with the implementation of the cities' political duties, and to focus on cooperating with the party committee and the administration at all levels to satisfactorily arrange jobs for youths. As for youths, they must uphold their sense of solidarity for the common cause and ideal, strenuously study more and forever in order to constantly raise their level of knowledge, firmly grasp the knowledge, resolutely surge forward to reach technological peaks, take physical training, build healthy cultural and moral lives, forge their ethics, and meet the requirements of national construction and defense.

Youths must actively engage in creative and fruitful labor, accelerate production, practice thrift, oppose waste, and struggle to become the assault force in building the homeland and the capital, in reclaiming virgin land, and in exploiting fallow land and bare hills. Youths must also take the lead in the application of new technologies and serve as the assault force in restoring order and discipline and fighting corruption, smuggling, and decadent culture.

Concluding the meeting, the general secretary said: Our people constitute a heroic nation. Our youths are also heroic. The building of a prosperous and strong country demands great efforts and sacrifices on our part. Youths must be adequately prepared physically and mentally to shoulder this historic duty and worthily carry on the revolutionary traditions of their fathers and brothers.

On the occasion of the new year, I wish all the youths in the capital to enthusiastically struggle to help victoriously implement the building of a civilized, prosperous, and beautiful capital, and to serve as the leading force in the national youth movement.

## State Council Issues Communique on Session

*BK2301155592 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 23 Jan 92*

[Communique of the Council of State]

[Text] The Council of State met on 20, 21, and 22 January 1992 under the direction of Chairman Vo Chi Cong.

1. The council heard a report on the results of the eighth National Assembly's 10th session from 10-26 December 1991 and outlined the program of action of the eighth National Assembly's 11th session to solicit the opinions of the National Assembly deputies. Based on the experiences drawn from the preparatory work and management of activities of the eighth National Assembly's 10th session, the council gave its opinion about the urgent need to get projects and reports ready for submission to the National Assembly at its upcoming session.

2. The council decided on a law-making schedule for the National Assembly and the council to implement in 1992 as well as those problems that the council will have to manage and supervise from now until August 1992.

The law-making work for 1992 focusses on the amendments to the 1980 Constitution; the draft laws on the organization of state apparatuses; and the draft laws and regulations in support of the renovation of economic management mechanisms, the promotion of production and business operations, the expansion of external economic relations, and the consolidation of the socialist legal system.

The council's supervision and control work focusses on the ways the Council of Ministers implements the resolutions adopted by the National Assembly at its 10th session so as to guarantee discipline and order in socioeconomic management and to intensify the campaign against corruption and smuggling.

3. The Council of Ministers briefed the National Assembly deputies on the suggestions to the amendments and supplements to the law on housing and land taxes and on the opinions of representatives of the National Assembly Economic, Planning, and Budget Committee and Legislative Committee about these amendments. The council then gave its opinion and entrusted the Council of Ministers with the task of continuing to study and solicit additional views from the various sectors and localities before submitting them to the council for consideration and approval at a session in the future.

4. The council studied a report of the Council of Ministers on proposed import-export tariffs based on the contents of the law on imports-exports approved by the National Assembly at its 10th session in December 1991.

The council gave its opinion and entrusted the Council of Ministers with the task of soliciting additional views from the various echelons and sectors concerned so as to perfect this document. The council also entrusted the National Assembly Economic, Planning, and Budget Committee; Legislative Committee; and Science and Technology Committee with the task of making thorough reviews of the document before submitting it to the council for consideration and approval at a session in the future.

5. The council heard a preliminary report of the Council of Ministers on the bidding of grades 1 and 2 houses and villas in Ho Chi Minh City. The council raised a number of issues for the Council of Ministers to clarify and to submit a thorough report on them at its session scheduled for February.

As an immediate objective, the council approved a number of necessary measures proposed by the Council of Ministers to promptly resolve the various issues arising from the bidding of grades 1 and 2 houses, condominiums, living compounds, and villas under state ownership in Ho Chi Minh City.

6. The council decided on a number of problems concerning the proceedings of the Supreme People's Court. On the recommendations of the chief judge of the Supreme People's Court, the council appointed a number of judges to the Supreme People's Court. On the recommendations of the Chief Procurator of the Supreme People's Organ of Control, the council appointed a number of procurators to the Supreme People's Organ of Control.

7. The council was briefed on the results of an official friendship visit to Vietnam from 21-22 December 1991 by a high-level delegation of the State of Palestine headed by His Excellency Yasir 'Arafat, president of the State of Palestine and chairman of the Palestinian Liberation Organization executive committee.

The council highly valued the results of this visit because it has helped further consolidate the traditional solidarity and friendship between the states and peoples of Vietnam and Palestine.

### Procedures for Feedback on Constitution Announced

*BK2001070192 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 13 Jan 92*

[Text] Today, 13 January 1992, the Office of the National Assembly and the Council of State made public the following announcement:

Organizations and individuals wishing to contribute suggestions to the third draft of amendments to the 1980 Constitution may do so by addressing their mail directly to the Committee for Constitutional Amendments at No. 35 Ngo Quyen Street, Hanoi.

There is no postage required for letters about constitutional draft amendments.

### Plan for Modernization of Hanoi Completed

*BK1801145092 Hanoi VNA in English 1340 GMT 18 Jan 92*

[Text] Hanoi VNA Jan 18—The Hanoi authorities have completed a plan on the expansion and modernisation of the capital city in the five coming years and until the year 2000.

The plan comprises 15 projects for infrastructural construction such as repairing, upgrading and building roads, expanding the access roads, new residential quarters, renewing and expanding the water and electric supply systems, telecommunications, the Hanoi river port and airport, and railway and water ways.

The plan also includes the building of new industrial areas such as a textile complex in Yen Hoa, Tu Liem District, an electronic industry centre Gia Lam District, an industrial centre, Dong Anh District and another industrial centre in Tu Liem District, all lying on the city outskirts.

### Hanoi Party Discusses Socioeconomic Tasks

*BK2001085592 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 9 Jan 92*

[Text] The Hanoi municipal party committee, 11th term, held its second session from 6-8 January. The participants devoted much time to discussing and contributing suggestions to the local socioeconomic development program from now until the year 1995.

They also set forth concrete measures to help the municipal party committee and people's committee with guidelines for organizing implementation.

The municipal party committee set up five subcommittees in charge of economic, cultural, and social affairs; political stability; city management; mass mobilization; and party-building work. The subcommittees will help the municipal party committee formulate the agenda of discussions.

Comrade Nguyen Dinh Thanh, member of the municipal party committee and director of the municipal public security service, briefed the participants on the situation of political stability and public security and order in the capital city, as well as on security measures to be taken on the occasion of the Nham Than Lunar New Year.

Comrade Pham Loi, deputy secretary of the municipal party committee and chairman of the municipal people's council, presented the central government's guidelines on the elections of the National Assembly, ninth term, and on the arrangements for the people to contribute suggestions to the constitutional draft amendments.

After three days of discussions and debates, the second session of the Hanoi municipal party committee, 11th term, issued a resolution providing guidance to the local party organizations and people so that they can satisfactorily carry out the tasks for 1992, thus creating the premises for the successful implementation of the 1992-95 socioeconomic development program.

### 1989 Population Census Results Outlined

*BK2101135992 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 14 Jan 92*

[Text] On 13 and 14 January 1992, the Central Steering Committee for Population Census held a conference in Hanoi to announce the 1989 results of the general population census. The results show the census norms for ages, sexes, nationalities, movement of population, married status, education levels, professional and technical knowledge, employment status, occupations, and trades in the national economy.

As of 1 April 1989, our country's population was 64.375 million people, including 31.23 million males and 33.145 million females. The numerical data made public this time officially supersede all previously announced data.

Doctor McGray, director of the UN Fund for Population Activities, attended the conference and made a statement praising the outstanding success of the general census. He expressed the wish that these results will be used effectively to support the various national development programs.

## Talks on Catholic Church Held With Vatican Team

*BK1901160992 Hanoi VNA in English 1509 GMT 19 Jan 92*

[Text] Hanoi VNA Jan. 18—A delegation of the Vatican led by Claudio Celli, vice minister for foreign affairs, paid a working visit to Vietnam from Jan. 14-19.

During its stay here, the delegation had working sessions with a delegation of the government's Commission for Religious Affairs led by Deputy Head of the Commission Nguyen Chinh.

The two sides reviewed the implementation of the agreements reached at the first meeting in November 1990, and exchanged views on a number of issues relating to the Roman Catholic Church of Vietnam and the relations between the Vatican and Vietnam.

The delegation also had wide contacts with the clergy and laymen of Vietnamese Catholic Church.

## Doan Khue Greets Counterpart on Lao Army Day

*BK2301080392 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 19 Jan 92*

["Full text" of message of greetings from General Doan Khue, SRV minister of national defense, to Senior Lieutenant General Choummali Sai-ngason, LPDR minister of defense, on the occasion of 43d founding anniversary of the Lao People's Army]

[Text] Dear Comrade Minister: On the occasion of the 43d founding anniversary of the Lao People's Army [LPA], on behalf of all the cadres and combatants of the Vietnam People's Army [VPA] and on my own behalf, I would like to extend my salutations of solidarity and warmest greetings to you and, through you, to all the cadres and combatants of the fraternal LPA.

Over the past 40 years, under the leadership of the Lao People's Revolutionary Party [LPRP] and together with the multiethnic people throughout the country, the LPA has become increasingly strong and has achieved many military exploits in the struggle against the imperialist, colonialist, and other reactionary forces, thus contributing to the complete victory of the Lao revolution.

Today, the fraternal LPA continues to score many great achievements in the process of building and defending its beloved fatherland, thereby contributing to the preservation of peace and stability in Indochina, Southeast Asia, and the world.

As close comrades in arms of the LPA, all combatants of the VPA rejoice at these glorious achievements of the fraternal LPA.

We sincerely wish the fraternal LPA many new and still greater achievements with the aim of successfully implementing the Seventh LPRP Congress resolution to make Laos a peaceful, independent, unified, and prosperous country.

May the relations of special solidarity and all-round cooperation between the peoples and armies of our two countries develop in depth with each passing day and yield fine results.

May I wish you, comrade, good health and many new successes in your noble duty and happiness in your life.

Yours respectfully

## Papua New Guinea

### Premier Rejects Bougainville Rebels' 'Blackmail'

*BK2201110992 Hong Kong AFP in English 1045 GMT 22 Jan 92*

[Text] Port Moresby, Jan 22 (AFP)—Prime Minister Rabbie Namaliu has refused to concede to "blackmail" by Bougainville rebels and demanded the release of a cargo vessel seized 12 days ago according to a statement released here Wednesday.

Namliu accused the separtist rebels demanding independence for the island province of hijacking the MV Cosmaris to support their demands. "The government will not give in to a hijacking and to blackmailing," Namaliu said, demanding that the vessel "must be unconditionally released." "The Bougainville Revolutionary Army (BRA) must end the hijack of the vessel, Cosmaris, or run the real risk of creating significant hardship for the people of central Bougainville," he said.

But BRA spokesman Joseph Kabui maintained Wednesday the ship would not be released until demands for more food supplies and the lifting of shipping and aircraft restrictions which have cut off the province were met by Port Moresby.

"We are not going to consider demands attached to threats, and an effective hijack of a vessel carrying international relief supplies," Namaliu said. He warned that should harm come to the crew or the vessel, "the BRA will have to wear the consequences, and the international condemnation which would certainly follow."

Responding to requests from the BRA for peace talks, Deputy Prime Minister Akoka Doi told reporters he would not take part unless rebel leader Francis Ona was present. The rebels had asked for the meeting to take place in the Solomon Islands capital, Honiara. Ona has told reporters he would not attend (word indistinct) talks, as that was the duty of his deputies, and would merely sign any final agreement.

Meanwhile, Australian non-government aid official Sister Diedri Christie arrived safely in Rabaul Tuesday after being given permission by the rebels. She and International Committee of the Red Cross (ICRC) Doctor Damien Wohlfahrt were on the Cosmaris when it was seized. Christie declined to comment on the situation in Bougainville, in particular the seizure of the ship, and is expected to return to Australia in the next few days.

### Namaliu Ready for Talks

*BK2301053492 Melbourne Radio Australia in English 0500 GMT 23 Jan 92*

[Text] Papua New Guinea's prime minister, Rabbie Namaliu, now says he is prepared to meet Bougainville rebel leader, Francis Ona, in order to end the deadlock over the rebel seizure of a ship at Kieta. The Bougainville Revolutionary Army [BRA] has been holding a chartered Red Cross medical supply ship, the Cosmaris, and its crew for nearly two weeks.

The chairman of the self-styled Bougainville interim government, Joseph Kabui, has called for talks in the Solomon Islands' capital, Honiara. However, he says Mr. Ona will attend only if Mr. Namaliu does. Mr. Namaliu at first refused, but now says he will go if all else fails. However, he says a Papua New Guinea delegation has been set up to do the negotiations on behalf of the national government.

In another move, the Papua New Guinea Government has again strongly protested to the Solomon Islands' Government over, what Port Moresby calls, increasing propaganda in Honiara for the Bougainville rebels. The protest note demanded immediate closure of the Honiara office of the Bougainville rebels. The notes says the continued existence of the rebels' office would not be appropriate because the Solomons Government officially regarded Bougainville as an internal matter for Papua New Guinea.

## Solomon Islands

### Prime Minister Served With Debt Summons

*BK2201065192 Hong Kong AFP in English 0643 GMT 22 Jan 92*

[Text] Honiara, Jan 22 (AFP)—Solomon Islands Prime Minister Solomon Mamaloni will have to face a Brisbane court over a debt summons unless he repays money allegedly owed by his company, a lawyer said here Thursday.

Andrew Nori said he had issued a summons to the office of the prime minister three weeks ago and again personally to Mamaloni on Monday. A private investigation comany representing Hemisphere Securities in Brisbane, Australia, has alleged that Mamaloni, as the director of the canoe-maker Fotu Fibreglass Manufacturing Co., had borrowed 30,000 Solomon Islands dollars (14,200 U.S.) in 1989, but the loan had not been repaid. Mamaloni was alleged to have gone guarantor on the loan.

Nori said he had told Mamaloni before serving the summons that it would be good for his personal reputation and that of the country if the debt was repaid. "The prime minister had decided not to heed my advice so I served the papers on him," Nori added.

The lawyer said Mamaloni would have to appear in Brisbane Magistrates Court if he did not repay the money in the next 40 days. Asked about the allegations, Mamaloni told reporters "I'm surprised to hear the allegations and I don't know anything about what has been in the news."

Fotu Fibreglass recently changed its name to Prime Products Ltd. after one of Mamaloni's partners was alleged to have misused funds.